

TRADE, COMMERCE & MANUFACTURING SECTOR

2017/18 – 2020/21 PLAN





STAKEHOLDERS



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MESSAGE FROM THE MINISTER



Talofa lava,

It is my pleasure to present the Trade, Commerce and Manufacturing Sector Plan (TCM-SP) 2017/18-2020/21.


The TCM-SP is one of Samoa's strategic tools for delivering public and private partnership interventions in the Economic Sector, and it envisages to promote sustainable and inclusive growth as well as economic diversification and transformation in Samoa. It builds upon the work of the previous plan, the Strategy for the Development of Samoa (SDS) 2016/17-2019/20, Diagnostic Trade Integration Study Update (DTISU) 2016, the Samoa National Employment Policy (SNEP) 2016, the Corporate Plans of Sector Implementing Agencies and the numerous studies and reviews conducted by the Sector over the past five years.

In line with the Strategy for the Development of Samoa (SDS) 2016/17-2019/20, the TCM-SP envisions "Sustainable trade, commerce and manufacturing for enhanced growth and development". Moreover, the TCM-SP's mission is to "Maximise gains from trade and enhance private sector development, to increase income generation opportunities for sustainable livelihoods". Hence, the TCM-SP proposes methods that will propel development in the trade, commerce and manufacturing sectors; creating employment and reducing poverty levels through stimulation of production and value addition, and resulting in increased incomes, welfare and purchasing power for all Samoans.

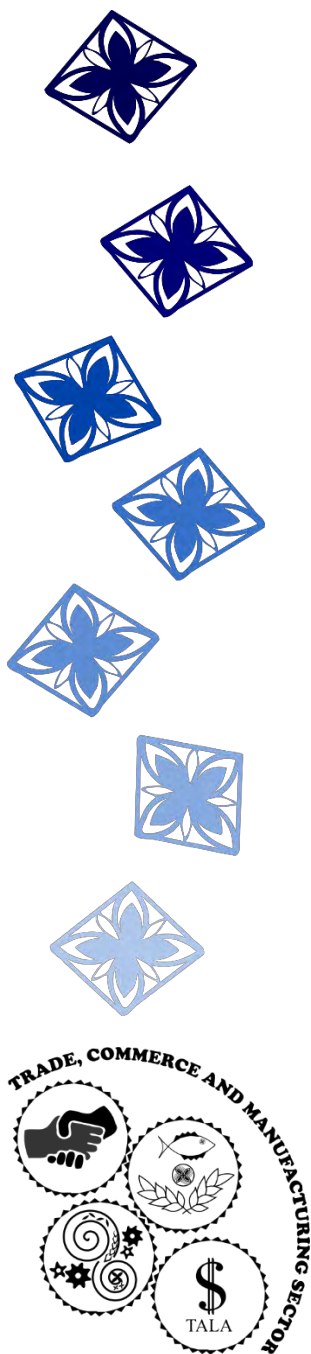
The TCM-SP's work for the 2017/18-2020/21 period will also revolve around four Pillars/Outcomes, and they are: (1) Improved industrial supply and productivity; (2) Increased processing activities and value-addition; (3) Enhanced market access and visibility for Samoan goods and services; and (4) Strengthened sector coordination, planning and support.

I would also like to acknowledge and extend our sincere gratitude to the Enhanced Integrated Framework (EIF) for the assistance and support in the implementation of the previous plan. Nonetheless, this TCM-SP will guide the work of Implementing Agencies, stakeholders, local communities and development partners to ensure further development of trade, commerce and manufacturing in Samoa.

The positive impact of this document will only be noted if it is owned by its implementing agencies, stakeholders and the general public. In that regard, this will be a public living document, that public interventions are to be tailored to and accounted for. I therefore, invite the Sector Implementing Agencies, private sector organisations, community-based organisations, development partners and the general public to work together with us, in ensuring the sustainable development of Samoa.



Hon. Lautafi Fio Selafi Purcell
MINISTER OF COMMERCE, INDUSTRY AND LABOUR



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ACRONYMS

ACC	Accident Compensation Corporation
ADB	Asian Development Bank
ANZ	Australia New Zealand
BOP	Balance of Payments
CBOs	Community Based Organizations
CCA	Customs Control Area
DBS	Development Bank of Samoa
DCS	Duty Concession Scheme
DTF	Distance to Frontier
DTISU	Diagnostic Trade Integrated Study Update
EDS	Export Development Scheme
EIF	Enhanced Integrated Framework
EU	European Union
FEPP	Foreign Employee Employment Permit
GOS	Government of Samoa
GSP	Generalised Scheme of Preferences
HACCP	Hazard Analysis and Critical Control Points
HIES	Household Income and Economic Survey
iEPA	International Economic Partnership Agreement
ILO	International Labour Organization
ISO	International Standards Organization
JPM	Joint Policy Matrix
LEEP	Labour Employment and Export Program
MAF	Ministry of Agriculture and Fisheries
MfR	Ministry for Revenue
MPMC	Ministry of the Prime Minister and Cabinet
MSME	Micro Small Medium sized Enterprise
MTEF	Medium Term Expenditure Framework
MWCSD	Ministry of Women, Community and Social Development
NGO	Non-Government Organizations
NPF	National Provident Fund
NPSO	National Private Sector Organization
ODA	Overseas Development Assistance
OECD	Organization for Economic Cooperation Development
OSH	Occupational Safety and Health
PACER	Plus Pacific Agreement on Closer Economic Relations

PHAMA	Pacific Horticultural and Agricultural Market Access
PICTA	Pacific Island Countries Trade Agreement
PPP	Public Private Partnership
PSDI	Private Sector Development Initiative
PSSF	Private Sector Support Facility
PWSNs	People with Special Needs
RSE	Recognised Seasonal Workers
SABS	Samoa Agri-Business Scheme
SACEP	Samoa Agricultural Competitiveness Enhancement Project
SAME	Samoa Association of Manufacturers and Exporters
SAT	Samoan Tala
SBEC	Small Business Enterprises Centre
SBI	Small Business Incubator
SCCI	Samoa Chamber of Commerce and Industry
SDS	Strategy for the Development of Samoa
SEZ	Special Economic Zones
SIDS	Small Island Development States
SNCC	Samoa National Codex Committee
SNEP	Samoa National Employment Policy
SOEs	State Owned Enterprises
SPO	Sector Policy Objectives
SQA	Samoa Qualification Authority
SWAP	Sector Wide Approach to Planning
SWP	Seasonal Workers Programme
TCM	Trade, Commerce & Manufacturing
TCM-CU	TCM Coordination Unit
TCM-SC	TCM Steering Committee
TCM-SP	TCM Sector Plan
TECA	Trade and Economic Cooperation Agreement
TSSP	Trade Sector Support Programme
TVET	Technical and Vocation Education Training
WTO	World Trade Organization

1 | EXECUTIVE SUMMARY

The Sector-wide Approach to Planning (SWAP) is built upon the understanding of bringing together government Ministries and agencies, development partners, private sector organisations, non-governmental organisations (NGOs) and community-based organisations (CBOs) to work collaboratively towards a common goal. This approach is noted in the overarching Sectors of development: Economic, Social, Infrastructure and Environment; and also in the 14 Sectors that now exist within government. The Trade, Commerce and Manufacturing (TCM) Sector is one of those 14 Sectors.

The initial TCM Sector Plan (TCM-SP) 2012-2016 established a road map aimed at diversifying the production base and put in place an inter-governmental coordination mechanism for implementation. The TCM-SP was also built upon the Trade Policy Statement 2008, the National Export Strategy for Samoa 2008-2012, 2010 Diagnostic Trade Integration Study (DTIS), and the Corporate Plans of Implementing Agencies. Initially, the TCM-SP stipulated activities under six Sector Policy Objectives (SPOs). However, a capacity assessment was conducted in 2013 where it was foreseen, among other things that the best way forward for the sector is to group the six SPOs into five pillars. The sector subsequently commissioned a Medium Term Expenditure Framework (MTEF) exercise in 2014 to develop a three-year rolling budget for the sector. In this exercise, the Pillar approach was further refined to institute a value-chain approach, which comprised of: Pillar 1 – Industrial Supply and Productivity; Pillar 2 – Value-addition and Processing; Pillar 3 – Market Access; and Pillar 4 – Sector Support and Coordination.

Moreover, the Review of the TCM-SP 2012-16 has indicated the relevance and appropriateness of the TCM Sector in bringing together national stakeholders to push the national Trade agenda, and ensure development growth through the strengthening of the commerce and manufacturing sectors. In that regard, this TCM-SP 2017/18 – 2020/21 builds upon the work that was done in the TCM-SP 2012-2016, and presents the following information/data to encapsulate an inclusive document that all Implementing Agencies and stakeholders are encouraged to adhere/model their operations and activities to.

This document is presented in a sequential manner where: The Situation is the situational analysis of the Sector in Financial Year (FY) 2011/12-2015/16 or CY2012-2016 period; The Plan is what the Sector envisages to do for the FY2017/18 – FY2020/21 period; and The Operations presents the operational tools that will be used by the Sector to track its performance. A summary of these sections are presented below.

1.1 | The Situation

The GDP growth rate over the FY2011/12 – FY2015/16 period is 1.7% against the targeted growth of 3-5% per annum envisaged in the SDS 2012-2016. With regards to development, inclusive growth and poverty – the 2013/14 results of the Household Income and Economic Survey (HIES) have been utilised for the update of the Samoa Hardship and Poverty Report. The following are key trends noted in the Report.

- The average incidence of basic needs poverty in rural households has improved to 18.8% in 2013/14 when compared to 26.9% in 2008 and 22.9% in 2002.
- The incidence of food poverty¹ at the national level has been declining given the proportion of population affected has dropped to 4.3% in 2013/14, compared to 4.6% in 2008 and 10.6% in 2002.
- Inequality has worsened by 13% nationally, with the situation being most acute in the Apia Urban area.

Samoa's balance of payments (BOP) is characterized by a large deficit in the balance of goods and a significant surplus in the balance of services as well as substantial transfer inflows (remittances). The BOP fluctuates significantly and has weakened since 2012 where it recorded deficits in FY2012/13 and 2013/14 following the natural disasters, and again in 2015/16. Nevertheless, international reserves have declined since 2012, although still considered to be at comfortable levels (above the medium term benchmark of 4.0 months of import of goods cover) for maintaining the **country's** long term international viability.

¹While poverty in Samoa does not mean hunger or destitution in the traditional sense of its understanding; but families constantly have to make choice between the competing demands for household expenditure and the limited availability of cash income to meet those expenses. Households deemed to be experiencing basic-needs poverty are therefore facing hardship on a daily basis, where they struggle to pay bills and purchase adequate and suitably nutritious food.

The export base has not diversified much over the assessed period, with only nine major export commodities (average value = SAT\$ 32 million for 2011/12-2015/16 period) plus re-exports (average value = SAT\$ 37 million for 2011/12-2015/16 period). Imports has averaged at SAT\$ 768 million over the assessed period. This is generally comprised of 30% minerals, chemicals and allied industries (petroleum and by-products), 25% is food, 13% is machinery excluding transport equipment, and the remainder making up other imports. **Samoa's economy continues to be dominated by services with 80% attributed to service based industries, 10% to industry and 10% to agriculture and fisheries.** The balance of trade in services has a growth trend of 4.5% over the assessed period. The surplus (averages at SAT\$ 276 million; Credit SAT\$ 475 million; Debit SAT\$ -199 million) is attributed to travel which is the determining factor for trade in services trend.

Net direct investment (asset on liability) has averaged SAT\$ -36.6 million in 2011/12 - 2015/16; although a deficit in growth there is indication of a move towards positive growth and reinvestment of earnings. Foreign investment trends indicate an overall improvement in the number of registered Foreign Investment Enterprises with a total of 80 renewals in 2015/16 which has more than doubled since 2009/10. The key sectors driving the growth include Professional Services and Retailing. In addition to this, SIFA has incorporated 36,658 companies since 2010 and expanded the services and products on offer via the online registry.

The main contributing industries to GDP are commerce, construction, agriculture and fishing, manufacturing, public administration, transport and communication, and finance and business service. The Commerce Sector, comprising mostly of retailing businesses contributes an average 31% to national GDP. The Manufacturing Sector accounts for an average 10%, through food and beverage manufacturing as well as other manufacturing. Moreover, there has been no significant change in ease of doing business in Samoa. The only notable trends are: Getting Electricity; Dealing with Construction Permit; and Registering Property slightly decreasing. Paying taxes has a slightly growing trend, and Trading Across Borders significantly decreased in 2016. Accessing/Getting Credit and Resolving Insolvency remains our most problematic areas.

The national unemployment rate² was 6% or a total of 2,720 persons looking for jobs in 2011 compared to 1.3% in 2006 as noted in the DTIS 2010. There is relatively high unemployment in Northwest Upolu (6.7%) and Rest of Upolu (5.9%) compared to Apia Urban Area and Savaii. Young females are the most vulnerable given their high unemployment in age groups 15-19 years, 20-24 years and 25-29 years. It is noted that the subsistence economy where agricultural production, informal manufacturing and fishing will always provide alternative work in the villages if paid jobs are not available elsewhere.

1.2 | The Plan

The Sector's vision is "Sustainable trade, commerce and manufacturing for enhanced growth and development". The vision encapsulates the work of the Sector and linking it to the overarching SDS vision of "Accelerating sustainable development and broadening opportunities for all". **The Sector's mission is to "Maximise gains from trade and enhance private sector development, to increase income generation opportunities for sustainable livelihoods".** The Sector mission directly captures the work anticipated by the GOS for Key Outcome 3 – Export Products Increased and Key Outcome 5 – Participation of Private Sector in Development Enhanced, of the SDS 2016/17-2019-20.

Translating the vision into trackable terms, we can say that at the current GDP growth rate we envisage a 3.1% growth for the 2017/18-2020/21 planning period. However, in anticipation of another major natural disaster or any other growth hindrance, the Samoan economy is optimistically envisaged to grow 2.17% ($3.1\% - (0.30 \times 3.1\%)$) over the period. The growth will mainly be driven by the commerce sector, with support from the revamped and revitalised agriculture, fisheries and manufacturing sectors.

Moreover, the TCM-SP's living Action Matrix, which will be constantly reviewed in Annual Reviews to ensure the attainment of the End-of-Sector Plan vision and mission is streamlined through four Pillars/Outcomes and 14 Sector Outputs. They are summarised below:

Pillar/Outcomes	Outputs
1 – Improve industrial supply and productivity	1.1 – Improved productivity of key industries
	1.2 – Consistent quality and quantity of primary sector supply

² Unemployment rate defined by the Labour Force Survey as persons 15 years and over and who were actively looking for jobs.

Pillar/Outcomes	Outputs
2. Increase processing activities and value-addition	2.1. Increase number of value-added products
	2.2. Improve quality assurance standards for key processing industries
	2.3. Establish quality standards for key services
3. Enhance market access and visibility for Samoan goods and services	3.1. Reduced cost of doing business
	3.2. Improved access to various private sector support schemes
	3.3. Improved trade balance
	3.4. Increased labour mobility in foreign markets
4. Strengthen sector coordination, planning and support	4.1. Coherent sector planning and policy formulation
	4.2. Accurate and timely sector statistics for planning
	4.3. Strengthen capacity of sector implementing agencies
	4.4. Integration of cross-cutting issues into the sector

1.3 | The Operations

The overall objective of this Plan (in figures) **is to increase Samoa's real GDP to SAT\$ 2.11 billion by 2020/21. This is** anticipated through increased economic activities in the commerce and manufacturing sub-Sectors, through agro-processing and value-addition initiatives. This Plan also envisages to decrease the trade deficit to \$(387) million by 2020/21 through increasing goods export to \$100 million, normalising value of imported goods at \$(797) million, and increasing surplus in trade in services to \$310 million.

Also presented in this document is the Medium Term Expenditure Framework (MTEF) for the TCM-SP 2017/18-2020/21. The MTEF is a tool for linking policy, planning and budgeting over the medium-term at the Government-wide level. Under the Public Finance Management Reform Plan 2008-2013, formulation of a sector MTEF is required as the means of linking sector plans to the budget process ensuring that the actual allocation of public resources aligns with sectoral and national development priorities.

The MTEF for this TCM-SP has brought together financial and expenditure planning data and attempted to estimate total planned expenditures from all sources of finance available, primarily the annual budget estimates. These inputs have been used to generate the first estimates of expenditure over the period FY2017/18 –FY2020/21. Given these are based on forward estimates, the quality of the data is considered variable. These estimates will become much more robust and accurate as the four-year rolling MTEF is implemented and estimates are updated on an annual basis through the national planning and budgeting processes.

The initial Action Matrix has a total of 93 actions, filtered through 13 Outputs and 4 Overarching Outcomes/Pillars/Goals. The baseline cost for these priorities was estimated at around ST\$92.9 / US\$ 40.4 million over this TCM-SP period. The following core implementing agencies were identified to be directly doing activities in the initial Action Matrix:

- i. Three government ministries – Ministry of Commerce, Industry and Labour (MCIL), Ministry of Foreign Affairs and Trade (MFAT), and Ministry for Revenue;
- ii. One state-owned enterprise – Scientific Research Organisation of Samoa (SROS)
- iii. Two private sector organisations – Samoa Chamber of Commerce and Industry (SCCI) and Samoa Association of Manufacturers and Exporters (SAME).

Moreover, the majority of actions are shared with other Sectors, with those actions more related to those other Sectors. For example, a bulk of the TCM Sector work are directly related to the Agriculture Sector, particularly those in Pillar 1 – Improve Industrial Supply and Productivity. Therefore, the following agencies are also included in the Sector MTEF:

- i. Two government ministries – Ministry of Agriculture and Fisheries (MAF) and Ministry of Health (MOH);
- ii. One state-owned enterprise – Samoa Trust Estates Corporation (STEC);
- iii. One private sector organisations – Women in Business Development Inc. (WIBDI)

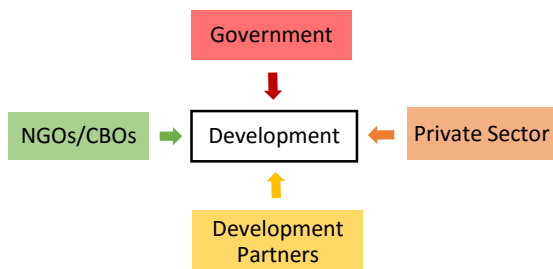


2 | INTRODUCTION

2.1 | Background

The adoption of the SWAP by Government of Samoa (GOS) in 2005 has successfully brought together government Ministries and agencies, development partners, private sector organisations, NGOs and CBOs to work collaboratively towards a common goal.

Figure 1: Sector-wide Approach to Planning



This approach is further justified by the four collective pillars of the Strategy for the Development of Samoa (SDS) 2012-2016: Economic, Social, Infrastructure, and Environment. In light of this, the SDS provides the overarching framework where sector initiatives are hinged upon and geared towards “Accelerating Sustainable Development and Broadening Opportunities for All”.

Figure 2: Scope and Chain of Planning



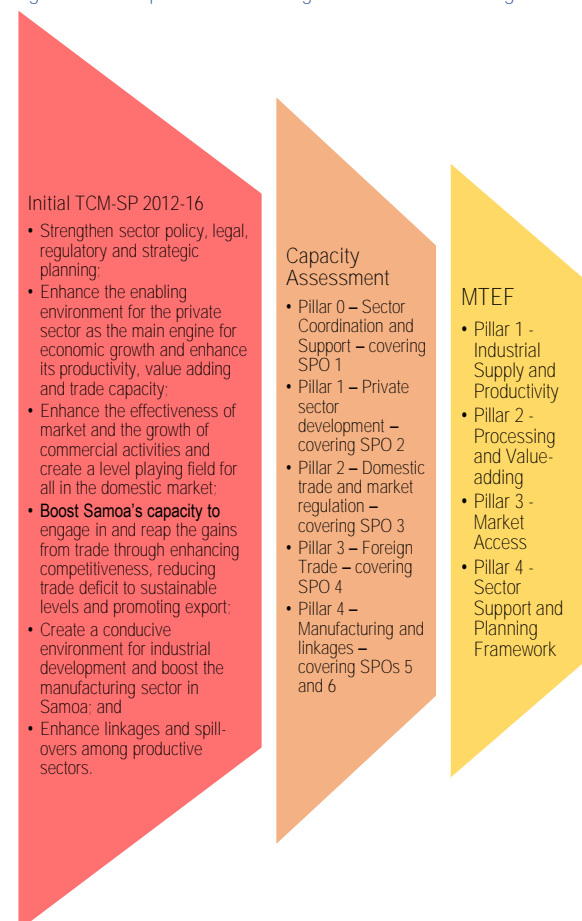
The TCM Sector eventuated after the DTIS conducted in 2010 amplified, among other things, the strong links between the trade, commerce, and manufacturing sectors. The DTIS also assessed the trade context in

Samoa, determining the gaps and identifying what the Government is doing to address them. Moreover, the DTIS was used to secure funding from the Enhanced Integrated Framework (EIF) which accelerated the institutional establishment of the Sector bodies (Steering Committee and Coordination Unit). The TCM Sector is the driving force for Key Outcomes 3 and 5 of the SDS 2016/17-2019/20, respectively being: ‘Export Products Increased’; and ‘Participation of Private Sector in Development Enhanced’.

2.2 | Sector Development

Initially, the TCM-SP stipulated activities under six Sector Policy Objectives (SPOs). However, a capacity assessment was conducted in 2013 where it was foreseen, among other things that the best way forward for the sector is to group the six SPOs into five pillars. The sector subsequently commissioned a Medium Term Expenditure Framework (MTEF) exercise in 2014 to develop a three-year rolling budget for the sector. In this exercise, the Pillar approach was further refined to institute a value-chain approach.

Figure 3: Development and Refining of TCM Sector Planning



3 | TCM-SP 2012-2016 REVIEW

3.1 | Overview of Review

Recognizing the necessity for improving its trade prospects and opportunities, the GoS developed the Trade, Commerce and Manufacturing Sector Plan (TCM-SP) 2012-2016. The TCM-SP established a road map aimed at diversifying the production base and put in place an inter-governmental coordination mechanism for implementation. The TCM-SP has also built upon the Trade Policy Statement 2008, the National Export Strategy for Samoa 2008-2012 and the 2010 DTIS.

The TCM-SP's main aim was to boost structural transformation, value addition and exports. More specifically, the TCM-SP was designed to achieve six sector-wide policy objectives within a four-year timeframe from 2012 to 2016. The TCM-SP was initially built around four pillars (1) Private Sector Development, (2) Domestic Trade and Market Regulations, (3) Foreign Trade and (4) Manufacturing and Linkages.

3.2 | TCM-SP Design and Institutional Arrangements

As part of the ongoing monitoring process for the sector, subsequent changes were made to the TCM-SP results framework and pillars based on the recommendations of the 2013 Capacity Assessment and 2014 Medium Term Expenditure Framework (MTEF).

The refinements were made to better capture the sequencing of sector priority activities using a value chain approach. The refined sector plan now has four pillars and 15 outputs and contains a number of prioritized activities to be implemented through the annual government budget process.

Several committees have been established as governance mechanisms to facilitate and coordinate the TCM-SP with a broader set of stakeholders. These include the Trade Commerce and Industry Board, National Working Committee on Trade Arrangements and TCM Sector Steering Committee.

Given the ongoing reforms, institutional arrangements must be continuously facilitated and reviewed so that the frameworks in place and governance structures provide an enabling environment to those it exists to serve.

3.3 | Relevance and Appropriateness

The TCM-SP has been an integral part of the Samoa Strategy for Development 2012-2016 to ensure **"Boosting of Productivity for Sustainable Development"** and features measures to revitalise exports and support the agriculture and manufacturing sectors. The TCM SP is also linked to relevant regional and international policies and regulatory frameworks and obligations.

A number of Sector Plans have been developed since the TCM-SP, and have reflected cross cutting activities for the Sector. This is a reflection of collaboration and integration across the board and not in isolation.

3.4 | Effectiveness and Efficiency

The value chain approach streamlined the activities of the TCM-SP to be more direct and precise in implementation. In light of this, the TCM-SP eventuated to encompass four pillars:

- Pillar 1: Industrial Supply and Productivity;
- Pillar 2: Processing and Value Addition;
- Pillar 3: Market Access; and
- Pillar 4: Sector Support and Planning Framework

Substantial work has been made under these pillars which to some extent have reached the target level with most as ongoing and will roll over into the new Sector Plan. These are further detailed in section 5.

3.5 | Impact and Sustainability

The continuous refinements to the TCM-SP over the last four years has proven to be successful in ensuring participation from various stakeholders. This has led to boosting confidence of the major development partners to continually finance sector initiatives such as the Trade Sector Support Programme and the Private Sector Support Facility.

4 | THE SITUATION

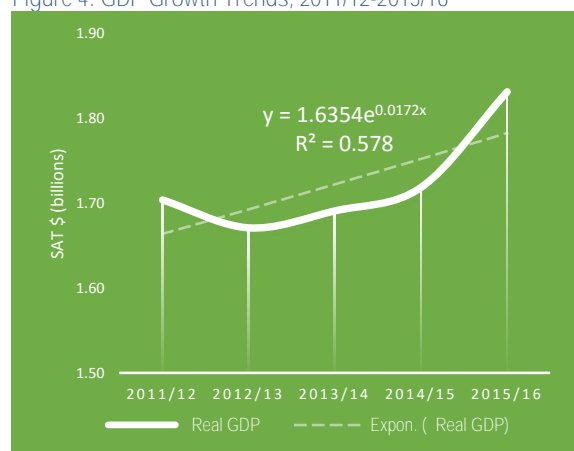
This section provides an overview of the TCM Sector Performance since Financial Year (FY) 2011/12 or Calendar Year (CY) 2012. A brief snapshot of economic statistics was developed to identify defining trends in the sector since the TCMSP 2012-2016 was launched. Based on data collected through the national agencies including Central Bank of Samoa (CBS) and Samoa Bureau of Statistics (SBS) trends identified were categorised into three areas (i) SDS Key Outcome One – Macroeconomic Resilience Increases and Sustained; (ii) SDS Key Outcome 3 – Export Products Increased; and (iii) SDS Key Outcome 3 – Participation of Private Sector in Development Enhanced. To ensure consistency, the analysis will mostly use data for the period FY2011/12-2015/16 and CY2012-2016, unless it is stated otherwise.

4.1 | SDS Key Outcome One – Macroeconomic Resilience Increased and Sustained

4.1.1 | Macroeconomic Performance

Negative impact on growth derived from natural disasters of 2009 and 2012. This was reflected in the -1.9% GDP growth in 2012/13. Positive impact from post-Cyclone Evan reconstruction, and hosting major events like 2014 Small Islands Development States (SIDS) Conference and 2015 Commonwealth Youth Games has resulted in slightly improved total GDP. The GDP level before Cyclone Evan recovered in 2014/15.

Figure 4: GDP Growth Trends, 2011/12-2015/16



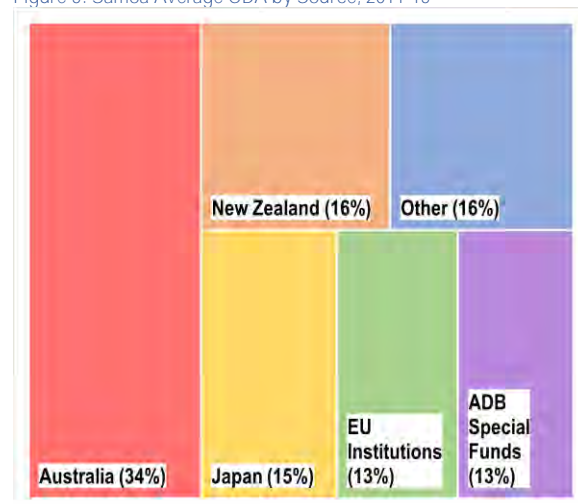
Source: CBS Quarterly Bulletin (E6 – GDP at Market Prices by Industry), May 2017

The GDP growth rate over the assessed five-year period is 1.7% compared to the targeted growth of 3-5% per annum envisaged in the SDS 2012-2016. At this rate we can expect a GDP growth rate of 3.1% for this 2017/18-2020/21 planning period. However, in anticipation of another major natural disaster, the Samoan economy is optimistically envisaged to grow 2.17% ($3.1\% - (0.30 \times 3.1\%)$) over the period. The growth will mainly be driven by the commerce sector, with support from the revamped and revitalised agriculture, fisheries and manufacturing sectors.

4.1.2 | Inclusive Growth, Poverty Reduction and Sustainable Development

Based on a recent monitoring report on Samoa's progress since graduation in 2014, the level of aid flows from major development partners did not seem heavily impacted, with Australia accounting for an average 34% of net overseas development assistance (ODA) disbursement to Samoa in 2011-15.³ Samoa's total ODA estimate for 2016/17 budget was \$100.8 million.

Figure 5: Samoa Average ODA by Source, 2011-15

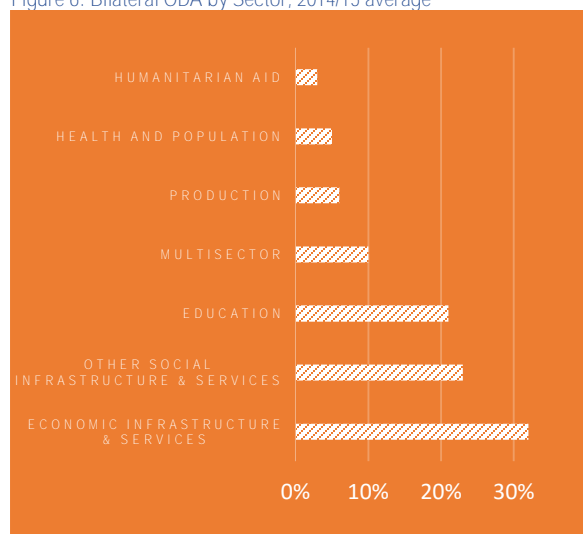


Source: OECD-DAC Data, June 2017

Overall, the monitoring report indicated Samoa has managed to maintain high levels of human capital and national income. However, Samoa still continues to be highly vulnerable to external shocks due to its export structure, high portion of low lying areas, and small population size. Hence, diversification of Samoa's economic structure through agriculture and fisheries also remain highly vulnerable given its susceptibility to natural disasters.

³https://public.tableau.com/views/OECDACaidataglanbyrecipient_new/Recipients?embed=y&display_count=yes&showTabs=y&toolbar=no?&showVizHome=no

Figure 6: Bilateral ODA by Sector, 2014/15 average



Source: OECD-DAC Data, June 2017

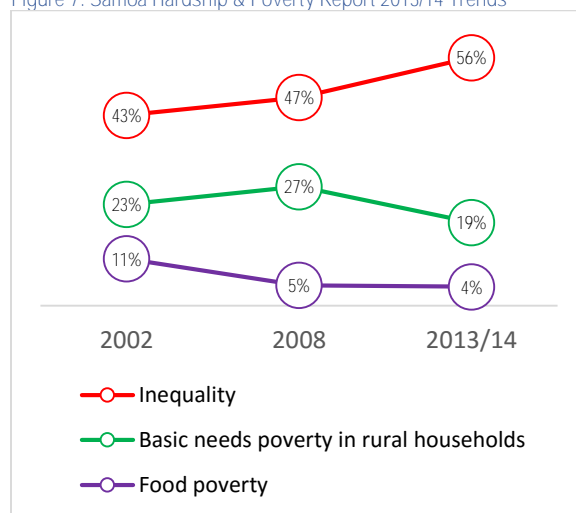
To try and capture the extent of the inclusiveness of growth since 2010, the analysis has focused on the Samoa Hardship and Poverty Report supplemented by consultations with the Savaii business and grassroots community. Site visits of a number of projects in Savaii was undertaken where the cocoa improvement programme facilitated by the Whitakers Chocolate group in New Zealand linking with a cocoa grower and producer in Savaii for the sourcing and export of cocoa, is an example highlighting the important relationship between inclusive growth and trade. The recently launched ADB Trade Finance Programme will benefit grassroots trade related projects by providing financial support such as pre-export finance to facilitate trade:

The 2013/14 results of the Household Income and Economic Survey (HIES) have been utilised for the update of the Samoa Hardship and Poverty Report. The following are the key trend noted in the Report.

- The average incidence of basic needs poverty in rural households has improved to 18.8% in 2013/14 when compared to 26.9% in 2008 and 22.9% in 2002.
- The incidence of food poverty⁴ at the national level has been declining given the proportion of population affected has dropped to 4.3% in 2013/14 compared to 4.6% in 2008 and 10.6% in 2002.
- Inequality has worsened by 13% nationally, with the situation being most acute in the Apia Urban area.

⁴While poverty in Samoa does not mean hunger or destitution in the traditional sense of its understanding; but families constantly have to make choice between the competing demands for household expenditure and the limited availability of cash income to meet those expenses. Households deemed to be experiencing basic-needs poverty are therefore facing hardship on a daily basis, where they struggle to pay bills and purchase adequate and suitably nutritious food.

Figure 7: Samoa Hardship & Poverty Report 2013/14 Trends



Source: 2013/14 Household Income and Economic Survey

Poverty and hardship was seen to be exceptionally higher among the unemployed and individuals working, mainly, in the informal sector (including unpaid family and community work, **household's** duties and subsistence production). It was noted that within the formal sector, government and public sector employees are better off in comparison to their counterparts in the private sector.

The most vulnerable groups include retirees and students (part-time and full-time). Approximately 31% of the extremely vulnerable live in North-West Upolu and are working primarily in subsistence agriculture. Interestingly, this is in contrast to people in the informal sector in Savaii who are significantly better off than their counterparts in the informal sector in other regions. Hence, geographical location and economic activity (combined) are strong determinants of poverty and vulnerability. This is suggested as a good basis for characteristics-based targeting of poverty.

These trends also highlight the vulnerability of the Samoan economy given the significant changes in inequalities over a relatively short span of time. Overall, geographical disparities and pockets of high poverty in North-West Upolu and Apia Urban Area will require timely targeted interventions to effectively arrest and reverse the adverse inequality trends.

4.2 | SDS Key Outcome Three – Export Products Increased

Samoa's balance of payments (BOP) is characterized by a large deficit in the balance of goods and a significant surplus in the balance of services as well as substantial transfer inflows (remittances). The BOP fluctuates significantly and has weakened since 2012 where it recorded deficits in FY2012/13 and 2013/14 following the natural disasters, and again in 2015/16. Nevertheless, international reserves have declined since 2012, although still considered to be at comfortable levels (above the medium term benchmark of 4.0 months of import of goods cover) for maintaining the country's long term international viability.

Table 1: Balance of Payments 2011/12-2015/16

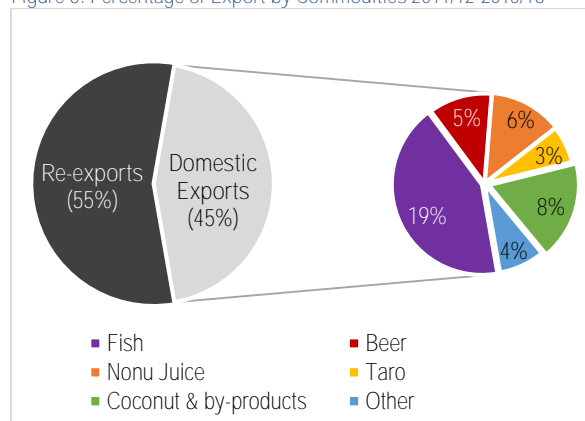
Description	2011/12	2012/13	2013/14	2014/15	2015/16
Balance on Trade in Goods	-705.5	-643.9	-719.4	-714.8	-706.4
Balance on Trade in Services	248.4	268.1	259.5	301.3	284.8
BALANCE ON GOODS & SERVICES	-457.1	-375.8	-460	-413.6	-421.6
Balance on Primary Income	-61.8	-62.8	-69.2	-38.8	-48.4
BALANCE ON GOODS, SERVICES & PRIMARY ACCOUNT	-518.8	-438.6	-529.2	-452.3	-470
Balance on Secondary Income	403.5	431.4	377.9	393.5	345.3
CURRENT ACCOUNT BALANCE	-115.3	-7.2	-151.2	-58.8	-124.7
CAPITAL ACCOUNT BALANCE	88.1	62.3	156.1	95	71.1
FINANCIAL ACCOUNT BALANCE NIE	-98.03	-5.67	-51.24	-68.28	-4.24
NET ERRORS & OMISSIONS	-54	-94.7	-94.3	-42.9	5.8
OVERALL BALANCE	16.9	-34	-38.2	61.6	-43.5

Source: CBS Quarterly Bulletin (B1 – Balance of Payments), May 2017

4.2.1 | Trade in Goods

Samoa's merchandise trade balance has averaged at approximately SAT\$ -700 million over the period FY2011/12 – FY2015/16.

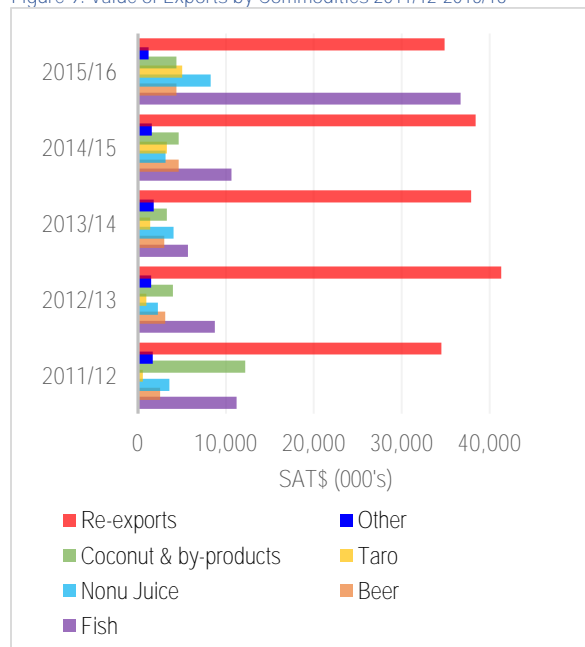
Figure 8: Percentage of Export by Commodities 2011/12-2015/16



Source: CBS Quarterly Bulletin (B5 – Exports by Commodities), May 2017

The export base has not diversified much over the assessed period, with only nine major export commodities (average value = SAT\$ 32 million for 2011/12-2015/16 period) plus re-exports (average value = SAT\$ 37 million for 2011/12-2015/16 period).

Figure 9: Value of Exports by Commodities 2011/12-2015/16



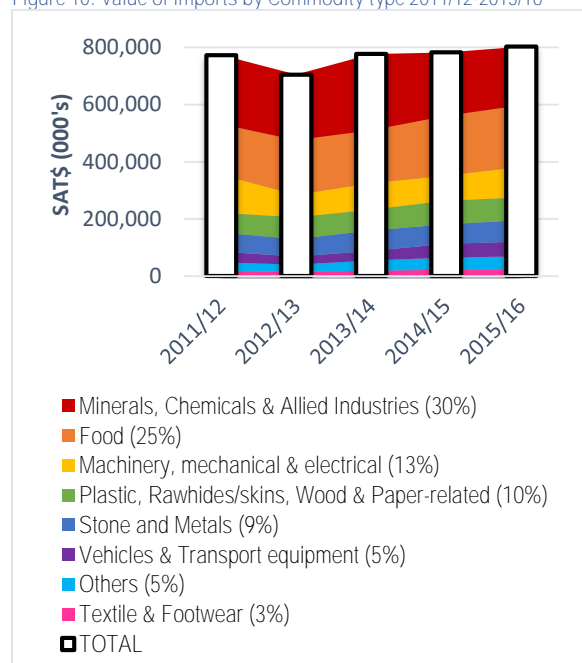
Source: CBS Quarterly Bulletin (B5 – Exports by Commodities), May 2017

Fresh fish accounts for approximately 43% of total domestic export value, with the remaining comprising of coconut and coconut by-products, noni juice and by-products, beer, taro and others. The export products are

mainly destined for Australia, New Zealand and American Samoa.

Imports has averaged at SAT\$ 768 million over the assessed period. This is generally comprised of 30% minerals, chemicals and allied industries (petroleum and by-products), 25% is food, 13% is machinery excluding transport equipment, and the remainder making up other imports.

Figure 10: Value of Imports by Commodity type 2011/12-2015/16



Source: CBS Quarterly Bulletin (B8 – Imports classified by broad HS Classification), May 2017

Efforts are currently underway through key initiatives such as the EIF Tier II funded Trade Sector Support Programme and the Samoa Agricultural Competitiveness Enhancement Project to improve the trade balance through increasing the consistent supply of coconut, cocoa (TSSP) as well as domestic production of livestock (sheep, cattle, chicken etc.), fruits and vegetables (SACEP). Moreover, it is envisaged for the 2017-2021 period, to note a significant reduction of approximately SAT\$ 55.0 million per annum of petroleum (particularly diesel) on the basis of the commitment by the Government for Samoa to produce electricity 100% from renewable energy sources as part of its renewable energy programme.

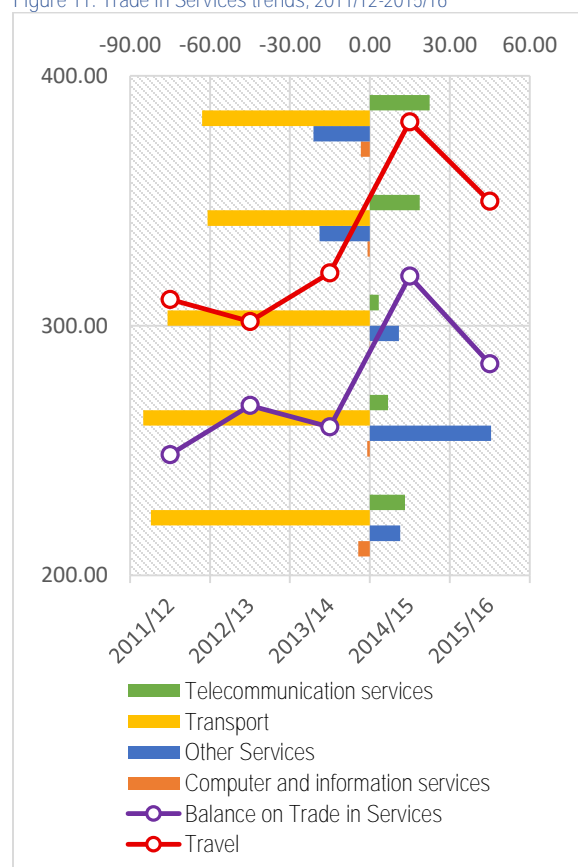
The dominant source markets for imports continue to be New Zealand 29%, Singapore 22% (for petroleum products), USA 11% and USA 10%, and 9% each from Australia and Mainland China. The imports from our regional market is steadily increasing, while those from

the North American market has decreased. The imports from the European and Asian markets, significantly fluctuate for the assessed period.

4.2.2 | Trade in Services & Transfer Inflows

Samoa's economy continues to be dominated by services with 80% attributed to service based industries, 10% to industry and 10% to agriculture and fisheries. The balance of trade in services has a growth trend of 4.5% over the assessed period. The surplus (averages at SAT\$ 276 million; Credit SAT\$ 475 million; Debit SAT\$ -199 million) is attributed to travel which is the determining factor for trade in services trend.

Figure 11: Trade in Services trends, 2011/12-2015/16



Source: CBS Quarterly Bulletin (B3 – Service & Income Account), May 2017

Net direct investment (asset on liability) has averaged SAT\$ -36.6 million in 2011/12 - 2015/16; although a deficit in growth there is indication of a move towards positive growth and reinvestment of earnings. Foreign investment trends indicate an overall improvement in the number of registered Foreign Investment Enterprises with a total of 80 renewals in 2015/16 which has more than doubled since 2009/10. The key sectors driving the growth include Professional Services and Retailing. In addition to this, SIFA has incorporated 36,658 companies

since 2010 and expanded the services and products on offer via the online registry.

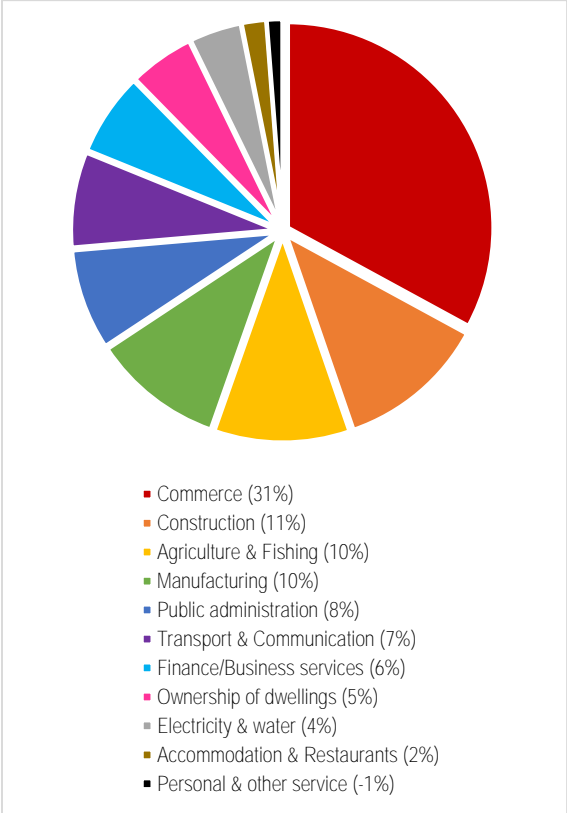
Total remittances averaged at SAT\$ 345 million (20% of Real GDP) in 2011/12-2015/16. Main sources markets are New Zealand, Australia, USA and American Samoa with growth in all markets since 2010 except for USA which has dropped by 25%. The main channel of funds is non-banks (average of 76%) and banks (average of 24%) with banks reducing from 29% in 2010 to 16% in 2015.

4.3 | SDS Outcome Five: Participation of Private Sector in Development Enhanced

4.3.1 | Economic Activity

The main contributing industries to GDP are commerce, construction, agriculture and fishing, manufacturing, public administration, transport and communication, and finance and business service. The Commerce Sector, comprising mostly of retailing businesses contributes an average 31% to national GDP. The Manufacturing Sector accounts for an average 10%, through food and beverage manufacturing as well as other manufacturing.

Figure 12: GDP by Industry, 2011/12-2015/16



Source: CBS Quarterly Bulletin (E6 – GDP at Market Prices by Industry), May 2017

Industrial Production Index (IPI) measures change in industrial production and is widely used for the observation and analysis of the current economic activity. **Samoa's** IPI is tracked through 14 products by the CBS. The key products that have significant index increases for the 2010/11-2013/14 period include ready-mix cement, ice-cream, roofing iron, paints, and miscellaneous products (copra meal, soap, toilet tissue, tobacco and salted beef). However, economic activity is dominated by ready-mix cement, electricity, beer, cigarettes and miscellaneous products for the same assessed period. Industrial production of coconut oil, timber and corned meat, on the other hand has registered a decline in the domestic market which further highlights minimal value addition for these products being exported.

Table 2: Percentage change in Industrial Production Index

Products	Base Weight (1997)	Average Weight (2010/11 – 2013/14)	%Change
Beer	0.22	0.10	-53%
Electricity	0.17	0.12	-32%
Soft Drinks	0.13	0.05	-58%
Coconut Oil	0.11	0.00	-100%
Cigarettes	0.09	0.10	6%
Timber	0.06	0.00	-100%
Coconut Cream	0.04	0.02	-54%
Ready-mix cement	0.04	0.28	598%
Concrete blocks	0.04	0.06	58%
Paints	0.02	0.06	175%
Ice cream	0.02	0.09	334%
Roofing iron	0.01	0.03	177%
Corned meat	0.01	0.00	-100%
Miscellaneous Products	0.04	0.10	150%

Source: CBS Quarterly Bulletin (E1 – Indicators of Industrial Production), May 2017

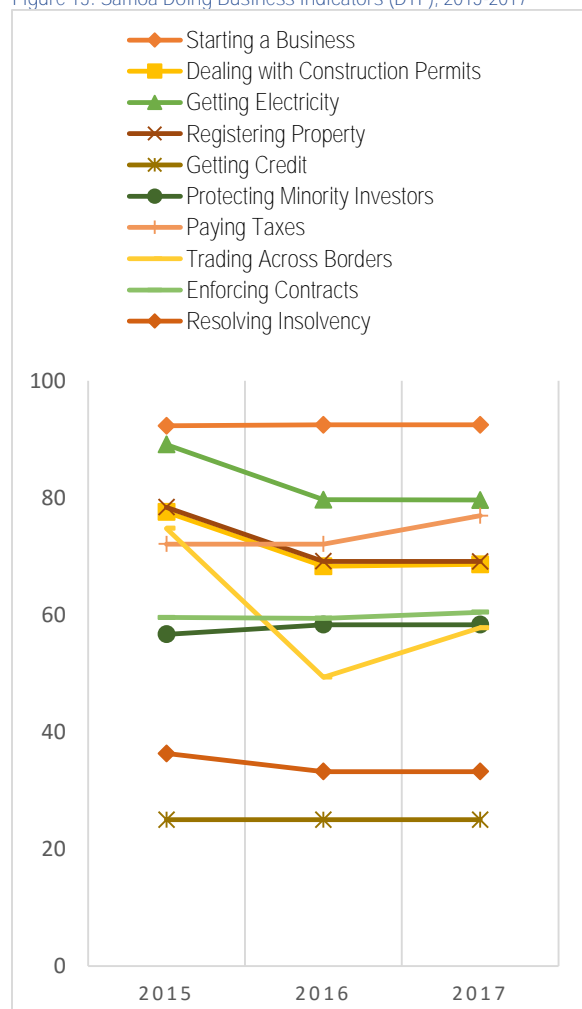
4.3.2 | Doing Business in Samoa

The enforcing of the Companies Act 2001 and the shift to an online Companies Registry in 2013, has allowed businesses to incorporate/register their companies online; streamlining procedures, and significantly reducing timeframe and cost for starting a business. Nonetheless, the World Bank Ease of Doing Business Survey shows that **Samoa's** ranking has worsened its overall doing business ranking since 2010. However, this does not present a full picture of where we are, and this is why the Distance to Frontier (DTF) measure is a more realistic measure for Ease of Doing Business.

The DTF score shows how far on average an economy is at a point in time from the best performance achieved by any economy on each Doing Business indicator since 2005 or the third year in which data for the indicator were collected. The measure is normalized to range between

0 and 100, with 100 representing the frontier. There has been no significant change in ease of doing business in Samoa, as shown in Figure below. The only notable trends are: Getting Electricity; Dealing with Construction Permit; and Registering Property slightly decreasing. Paying taxes has a slightly growing trend, and Trading Across Borders significantly decreased in 2016. Accessing/Getting Credit and Resolving Insolvency remains our most problematic areas.

Figure 13: Samoa Doing Business Indicators (DTF), 2015-2017



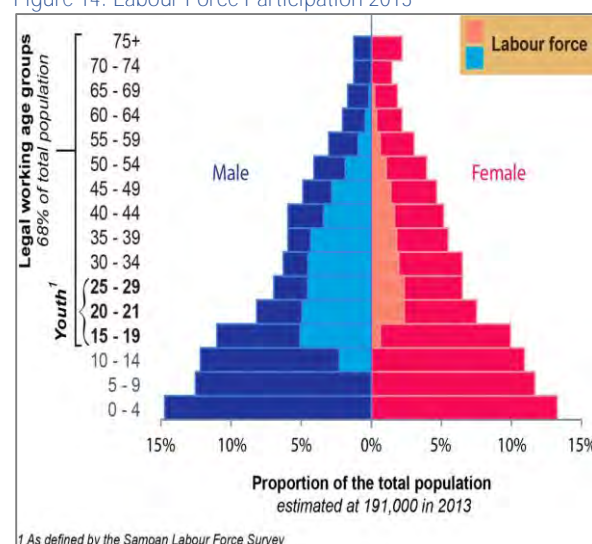
Source: World Bank Doing Business Survey 2017

4.3.3 | Labour Force

The median age in Samoa is 20.5 years, making it a relatively young population. Approximately 68% of total population falls within the working age group (15 - 65 years); whereas only 18% (34,530 persons) of total population is engaged in formal paid employment with

67% male and 33% female. A majority have obtained at least secondary level education and are mostly based in North West Upolu (NWU) and Apia Urban Area (AUA).

Figure 14: Labour Force Participation 2013



1 As defined by the Samoan Labour Force Survey

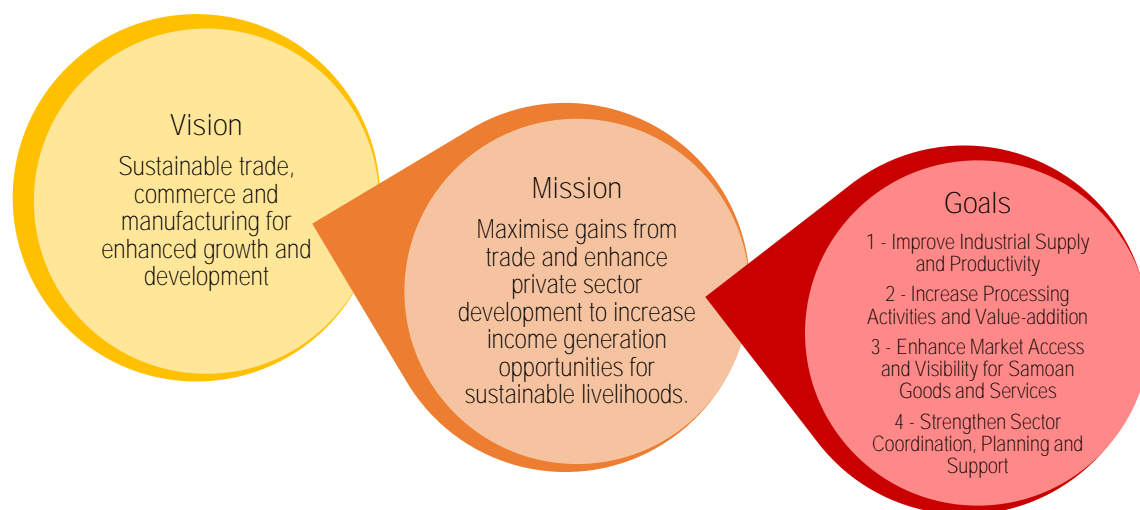
Source: Labour Force Survey 2013

The national unemployment rate⁵ was 6% or a total of 2,720 persons looking for jobs in 2011 compared to 1.3% in 2006 as noted in the DTIS 2010. There is relatively high unemployment in Northwest Upolu (6.7%) and Rest of Upolu (5.9%) compared to Apia Urban Area and Savaii. Young females are the most vulnerable given their high unemployment in age groups 15-19 years, 20-24 years and 25-29 years. It is noted that the subsistence economy where agricultural production, informal manufacturing and fishing will always provide alternative work in the villages if paid jobs are not available elsewhere.

Given the relatively young working population there is now an emphasis on supporting youth entrepreneurship and the development of micro and small-businesses. This is reflected in the new Samoa National Employment Policy 2016, National Youth Policy 2016-2020 and the Economic Empowerment objectives of the Community Sector Plan under MWCSD.

⁵ Unemployment rate defined by the Labour Force Survey as persons 15 years and over and who were actively looking for jobs.

5 | THE PLAN



5.1 | Vision

The Sector's vision is "Sustainable trade, commerce and manufacturing for enhanced growth and development". The vision encapsulates the work of the Sector and linking it to the overarching SDS vision of "Accelerating sustainable development and broadening opportunities for all".

Translating this into action is through the achieving of the targeted GDP optimistic growth of 2.17% ($3.1\% - (0.30 \times 3.1\%)$) over the 2017/18-2020/21 period. The growth will mainly be driven by the commerce sector, with support from the revamped and revitalised agriculture, fisheries and manufacturing sectors.

5.2 | Mission

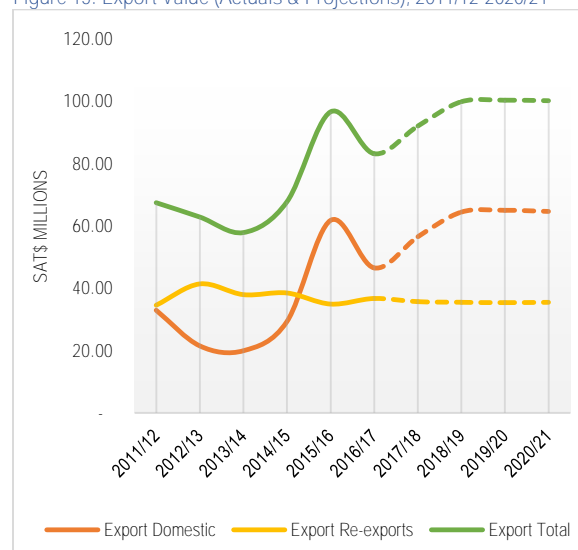
The Sector's mission is to "Maximise gains from trade and enhance private sector development, to increase income generation opportunities for sustainable livelihoods". The Sector mission directly captures the work anticipated by the GOS for Key Outcome 3 – Export Products Increased and Key Outcome 5 – Participation of Private Sector in Development Enhanced, of the SDS 2016/17-2019-20.

5.2.1 | SDS Key Outcome Three – Export Products Increased

The target anticipated by the TCM-SP 2017/18-2020/21 under SDS Key Outcome 3, is to address the

weaknesses of trade in goods while also capitalising on the strengths of trade in services. More specifically for trade in goods: export value needs to be increased; and import value needs to be normalised. In projection figures, total export value for goods is estimated at SAT\$ 100 million; total import value for goods at SAT\$ 797 million; and balance on trade in goods at SAT\$ -697 million.

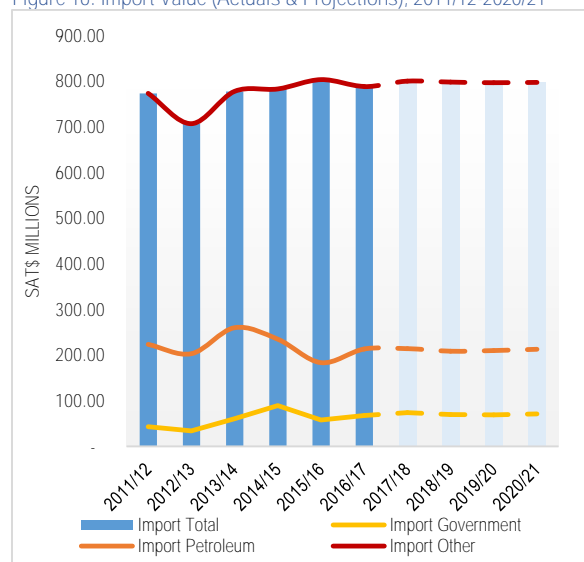
Figure 15: Export Value (Actuals & Projections), 2011/12-2020/21



Source: Actuals from CBS Quarterly Bulletin (B2 – Merchandise trade), Forecasts calculated by Muliufi Nickel

The outlook for goods export is also envisaged to significantly fluctuate subject to growing fish exports to China (Hong Kong), increased coconut by-product exports to USA, revamping of the cocoa route to New Zealand, and the impact of the reversed EU ban on kava for medicinal purposes. However, we have to be mindful of unpredicted natural disruptions (like natural disasters and harmful pests) that directly impact the supply chain for all products.

Figure 16: Import Value (Actuals & Projections), 2011/12-2020/21

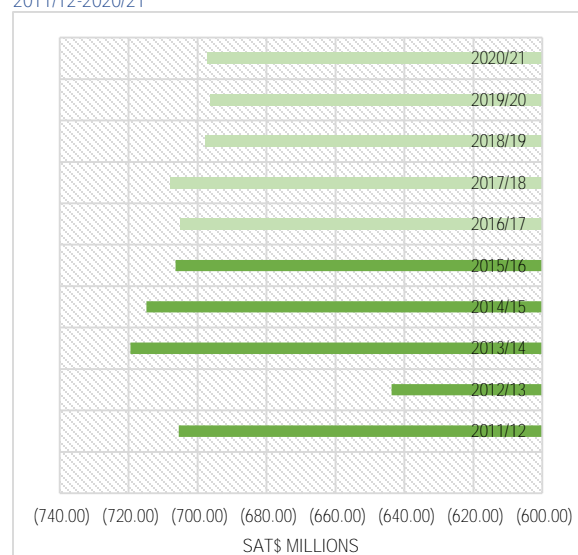


Source: Actuals from CBS Quarterly Bulletin (B2 – Merchandise trade), Forecasts calculated by Muliufi Nickel

The normalising of imports is envisaged through the decrease in the value of petroleum imports by approximately SAT\$ 55 million per annum, on the basis of the commitment by the GOS to increase electricity production from renewable energy sources.⁶ Moreover, the impact of the Trade Sector Support Programme (EIF Tier II); the work done by the Agriculture Sector in import substitution; and promotion of local produces for wellness by the Health Sector, are all expected to come into fruition over the planned period.

The projected value for balance on trade in goods is SAT\$ -697 million at end of FY2020/21, and noting the above fluctuations it may be best to assign a ± 0.15 weight to accommodate those changes. Hence, the best case **scenario for Samoa's trade in good balance** is SAT\$ -592 million ($-697 + (0.15 \times 697)$) and the worst case scenario amounts to a value of SAT\$ -801.55 million ($-697 + (0.15 \times 697)$).

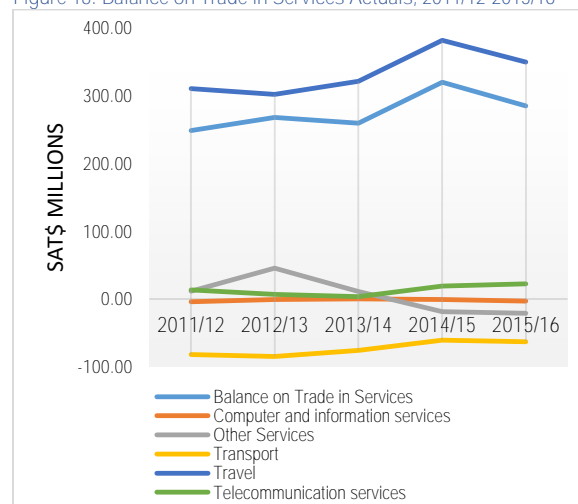
Figure 17: Balance on Trade in Goods (Actuals & Projections), 2011/12-2020/21



Source: Actuals from CBS Quarterly Bulletin (B2 – Merchandise trade), Forecasts calculated by Muliufi Nickel

For trade in services, it is obvious that travel is its determining factor. Hence, it is envisaged for travel to grow in-line with the revamping of the Faleolo International Airport and the increasing of number of airlines servicing Samoa, as well as number of flights to and from Samoa.

Figure 18: Balance on Trade in Services Actuals, 2011/12-2015/16



Source: Actuals from CBS Quarterly Bulletin (B3 – Services and Income account)

The projected value for balance on trade in services is SAT\$ 310 million at end of FY2020/21, with an assigned weight of ± 0.15 to accommodate fluctuations. Hence, the best case **scenario for Samoa's trade in services balance** is SAT\$ 356 million ($310 + (0.15 \times 310)$) and the worst

⁶ Electric Power Corporation Corporate Plan 2016-18

case scenario amounts to a value of SAT\$ 263 million $(310 + (0.15 \times 310))$.

Noting these projections, we anticipate for the Balance on Trade in Goods and Services to have an anticipated base case figure of SAT\$ -387 million. The worst case scenario figure forecasted for this planning figure is SAT\$ -538.55 and the best case scenario figure is SAT\$ -236 million.

5.2.2 | SDS Key Outcome Five – Participation of Private Sector in Development Enhanced

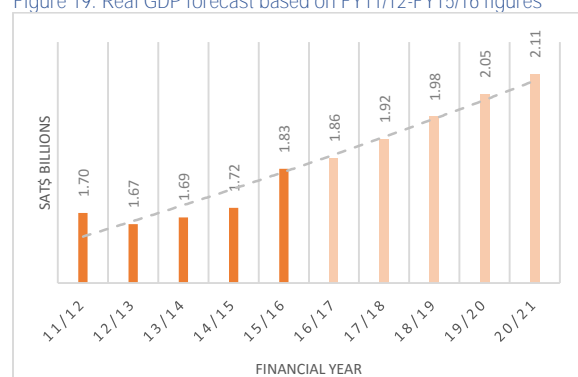
The Sector aims to strengthen the Public Private Partnership (PPP) concept with its stakeholders, in-line with the Government's objective of 'Enhancing the participation of Private Sector in national development' (SDS: Key Outcome 5). Moreover, the TCM envisage the ongoing Government assistance to the Private Sector and enhancing their capacities to conduct business. The Sector also foresees the strengthening of public-private partnership through continuous market testing of State-owned Enterprises (SOEs) and the outsourcing of these entities in order for the Private Sector to thrive.

In this regard, the Sector anticipates market failures where we will have to intervene to mitigate and address. At the same time aiming to create a conducive and enabling business, and working environment for the Private Sector, while also protecting the values and rights of Consumers. In this understanding, we hope to build our Nation on a fair and just platform, hinging on our National development goal of "Accelerating Sustainable Development and Broadening Opportunities for All".

Furthermore, we note the continuous attempt of Government to achieve the 'one-stop-shop' concept to enhance the facilitation of procedures and processes. In line with the Public Service Functional Analysis 2016, we come closer to this concept with the transitioning of the Seasonal Worker's Scheme under the Ministry, as the Labour Employment Export Programme (LEEP). Moreover, there is also the transitioning of the Business License registration to MCIL, which then centralises the whole business set-up and registration process.

In terms of Economic Activity, the TCM envisages the increasing of development momentum through revamping agro-processing work, particularly with traditional products. Investment is an issue, and this is where we can tie in remittances, as possible re-investment sources. With these aspirations and upwards trend of the national Real GDP, we foresee the achieving of envisaged growth with a value of SAT\$ 2.11 billion by 2020/21.

Figure 19: Real GDP forecast based on FY11/12-FY15/16 figures



Source: Actuals from CBS Quarterly Bulletin (E6 – GDP at Market Prices by Industry). Forecasts calculated by Muliuffi Nickel

The Private Sector Organisations (PSO) grant will continue as a Transactions on Behalf of the State, contributing to private sector organisations such as SCCI, WIBDI, SAME, SFA etc. The sector will ensure PSO grants will increase to benefit all PSOs and CBOs to promote inclusiveness in private sector participation in activities supported by their respective funding as well as developing strict guidelines to ensure appropriate use of these funds.

Financing plays a major part in private sector development and if the bulk of our operations are agriculture-based, then we are looking at high-risk business ventures. Therefore, we note the changes anticipated by the Development Bank of Samoa (DBS) where they endeavour to reorient their operations to its agriculture and small business with initiatives that include: partnering with the Small Business Enterprises Centre (SBEC), an ongoing relationship where SBEC provides a crucial guarantee mechanism for clients who have insufficient collateral to apply for financing on their own; working with the Samoa Agriculture Competitiveness Enhancement Project (SACEP), a World Bank funded matching grant initiative to support farmers; and improving their Micro Credit Facility, to assist women with no existing access to banking services; thus providing micro credit funds to promote participation within the economy. This is a complementary service, noting that the traditional banking institutions remain in business to support new ventures and the Samoa Agri-Business Scheme is also assisting with the accessing by agri-businesses of credit.

5.3 | Goals/Outcomes/Pillar Approach

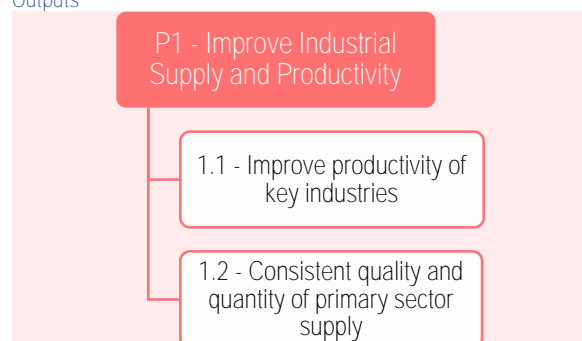
The Sector Pillars are the goals/outcomes that we foresee as operational stepping stones for the Sector's mission in trying to achieve its vision. The Pillar approach

enables the streamlining of TCM activities to be more direct and precise in implementation. In light of this, the TCM-SP 2017/18-2020/21 encompasses four pillars: 1 – Improve Industrial Supply and Productivity; 2 – Increase Processing Activities and Value Addition; 3 – Enhance Market Access and Visibility for Samoan Goods and Services; and 4 – Strengthen Sector Coordination, Planning and Support.

5.3.1 | Pillar One – Improve Industrial Supply and Productivity

Pillar one of the sector ‘*Improve Industrial Supply and Productivity*’ is the first stepping stone to enabling the operating environment for the private sector as the engine for economic growth and enhance its productivity, value adding and trading capacity. The standard value-chain is built upon the success of a robust supply, and this is the aim of Pillar One.

Figure 20: Pillar One - Improve Industrial Supply and Productivity Outputs



It is noted that the productivity level in Samoa is not yet sufficient to service the full capacity of existing markets, and also compete in other international markets. There is also a need to address the growing import balance by facilitating and promoting import substitution. Significant funding support (currently provided through MAF to increase production of crops, livestock and fisheries) has not resulted in increased agriculturally based exports. Alternative implementation modalities may be needed to ensure increased production of priority products such as coconut and cocoa. Further support is also needed for research projects to improve the consistency of quality and quantity of selected plant and food products. Focus on climate resilient crops and livestock is also essential.

In terms of services, there is low employment levels in key industries which indicate further support is needed to enhance the skills being promoted through the Apprenticeship Programme and Trade Testing Programme. Collaborative relations between MCIL, Ministry of Women, Community and Social Development

(MWCSD), Samoa National Youth Council (SNYC), and other stakeholders need to be strengthened to create a clear vision for national employment, specifically youth and female employability.

Table 3: Pillar One - Improve Industrial Supply and Productivity Actions

Output 1.1 – Improved productivity of key industries	
1.1.1	All stakeholders must work in a durable value chain partnership with a view of transforming the largely subsistence economy in Samoa. To achieve this, serious efforts must be planned and implemented with the objectives of developing a conducive environment that would attract large commercial ventures into the Samoa primary sector.
1.1.2	Transform the informal sector in Samoa so that it provides decent employment and increased productivity.
1.1.3	Increase sensitization of both men and women regarding the Trade Schemes offered by MCIL for skilled workers without formal certification.
1.1.4	Carry out value-chain analysis of potential traditional/tropical products
1.1.5	Adopt a cluster development approach, establish business incubators and encourage businesses to network and cluster to achieve economies of scale and reduce unit costs of common overheads. Establish a national networking database under NPSO with the assistance of MCIL
1.1.6	Limit foreign retailers of imported goods in the rural communities
1.1.7	Tailor and enhance more training programs in business management, accounting, customer care and etc. through institutions such as SBEC
1.1.8	Integrate rural subsistence into the urban monetized economy by focusing in rural development initiatives based on value chain principles.
Output 1.2 – Consistent quality and quantity of primary sector supply	
1.2.1	Promote use of codex standards, codex and guidelines as the basis for national standard development. Promote the development and enhancement of the capabilities of the National Codex Contact Point (CCP), the Samoa National Codex Council (SNCC), delegates and stakeholders on their core functions and to expand the engagement with the public on Codex updates.
1.2.2	Address the existing imbalance between labour supply and labour demand. Enhance the relevant skills acquired by the workforce and what is needed by employers.
1.2.3	Provide direct support for local entrepreneurs that have high employment potential. Also eliminate obstacles that constraint youths from participating in productive employment.
1.2.4	Put in place effective and efficient centres that will provide employment services including the registration for those seeking employment.
1.2.5	Enhance the business mind-set and capacity among business owners, subsistence and semi-commercial crop growers/farmers.

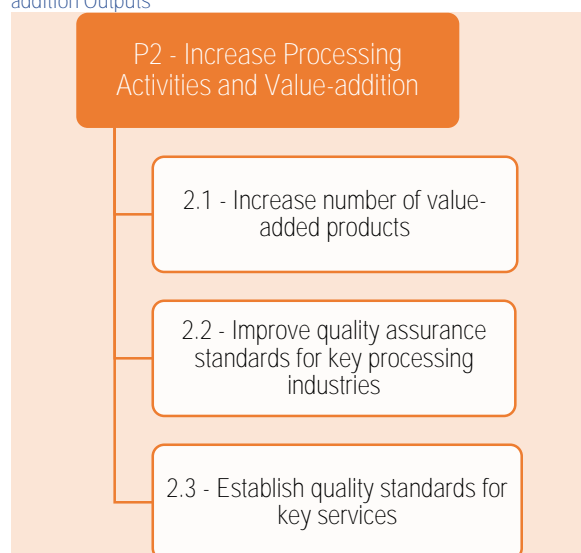
1.2.6	Enhance technical advice and capacities on farming management, specifically crop farming cycles and maintenance of a resilient/consistent supply of goods.
1.2.7	Large Commercial Agricultural businesses should be encouraged to work /cluster with small semi-commercial farmers to share expertise and resources (machineries/exports markets) that are required to cultivate additional lands for farming purposes.
1.2.8	Increase the acreage of traditional/tropical produces to meet the national and international demand.
1.2.9	Set up training and mentoring programme to enable farmers and primary producers to perform value-adding activities

*Actions are subject to change on an annual basis resulting from Annual Sector Reviews

5.3.2 | Pillar Two – Increase Processing Activities and Value Addition

Pillar two of the sector ‘Increase *Processing Activities and value-addition*’ aims to enhance the manufacturing sector and boost value-addition of locally available resources.

Figure 21: Pillar Two - Increase Processing Activities and Value-addition Outputs



This Pillar aims to strengthen the link between the agricultural sector and manufacturing sector for **commodities**. A significant portion of Samoa's formal sector is manufacturing and promoting their link to agriculture sets stage for formalising the agriculture sector. It is also noted that international commodity prices are higher for products that have been processed such as virgin coconut oil. Therefore, it is a need to improve access of businesses to post-harvest equipment and facilities that will raise the value of products and further development of products that have higher commercial value is also critical.

The GOS through MCIL is continuously looking at ways to develop these industries and accordingly facilitate and promote private sector investment. These GOS initiatives include: Duty Concession Scheme (DCS); Code 121; Code 113; and the anticipated Export Development Scheme. Development partner assistance directed towards developing the private sector and creating an enabling environment for them include: EIF capacity building initiatives (Tier 1); Private Sector Support Facility (PSSF); guarantee schemes through Small Business Enterprise Centre (SBEC) and the Samoa Agri-Business Scheme (SABS); as well as access to concessionary credit through the Development Bank of Samoa (DBS).

Additionally, standards (as in Pillar one) play a big role in processing and value-addition, as these enable goods and services to directly penetrate, not only the local market but also the international market. There is a need to ensure acceptable standards are maintained through existing International Standards Organisation (ISO) programmes and planned introduction of Hazard Analysis and Critical Control Points (HACCP) or ISO 22000 (food safety) programmes for both manufacturers and service providers. Nonetheless, the set-up for oversight of standards is for the Food Act 2015 under the Ministry of Health (MOH) to cover standards for all food-related products, and MCIL to govern standards for non-food-related products.

Value-addition for Services is targeted through numerous **mechanisms, relevant to the Sector's work are the** technical and vocation education training (TVET) programmes such as the Apprenticeship scheme. Other value-addition for services are captured under the work of the Education Sector and the national Education institutions. Furthermore, there is a need to align services to international labour standards to enhance their marketability in the international market. Hence, the continuous effort to enforce labour standards and occupational safety and health, as well as the ratifying of international labour conventions.

Table 4: Pillar Two - Increase Processing Activities and Value-addition Actions

Output 2.1 – Increase number of value-added products	
2.1.1	Promote quality locally made products through improved marketing and branding initiatives as well as through the National Export Strategy. Encourage the production and consumption of locally produced goods and services.
2.1.2	Enforce readable information on Samoan products in regional and international markets (including names, date of manufacture and expiry, physical address, packaging material, country of origin and internet based marketing portal and e-competitiveness).

2.1.3	Promote large scale commercial agriculture and rural agro processing to reduce rural unemployment and underemployment.
2.1.4	Review sector profiles for at least two industries
2.1.5	Linking industry development issues at national level with overall regional or international agreement Samoa is a party to
2.1.6	Expand the Apprenticeship Scheme with additional trades.
Output 2.2 – Improve quality assurance standards for key processing industries	
2.2.1	Coordinate and facilitate food and non-food safety standards.
2.2.2	Enhance the legislative framework to capture and formalise standards for local and imported products, as well as ensuring fair trade initiatives
2.2.3	Prioritise selected industries (fisheries, coconut, cocoa etc.) to roll out the ISO and HACCP certification process and consider avenues in which costs of compliance can be reduced
2.2.4	Enhance Co-operation with Australia and New Zealand in assisting Samoa to comply with standards including capacity building on conformity assessment, mutual recognition and equivalence of product standards in ANZ markets.
Output 2.3 – Establish quality standards for key services	
2.3.1	Trade Panels and Industry to revise Industry Training on the Job Forms to be in line with National Competency Standards.
2.3.2	Process the accreditation of the Apprenticeship Scheme.
2.3.3	Strengthen and empower the work of SOA to address skill shortages in Samoa.
2.3.4	Develop and implement guidelines on promotion of green jobs within trade implementing agencies.

*Actions are subject to change on an annual basis resulting from Annual Sector Reviews

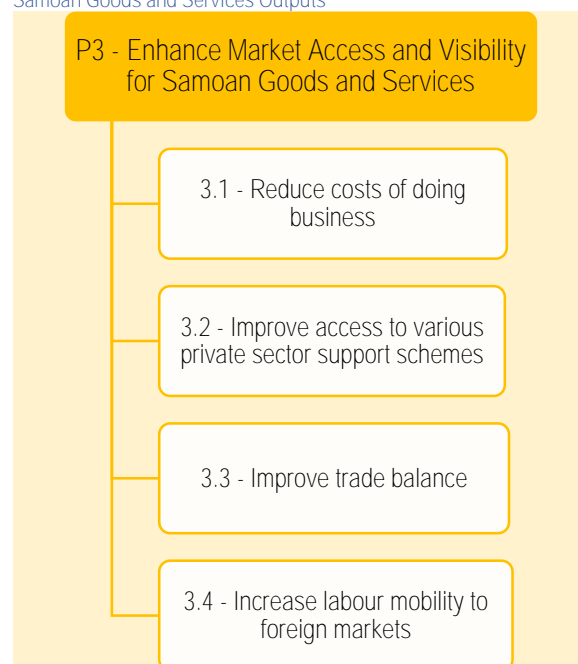
5.3.3 | Pillar Three – Enhance Market Access and Visibility for Samoan Goods and Services

Pillar three of the sector is ‘Enhance Market Access and Visibility for Samoan Goods and Services’, and it aims to enhance the effectiveness of market mechanisms and the growth of commercial activities to create a level playing field for all in the domestic market. It also aims to **boost Samoa’s capacity to engage in, and reap the gains** from trade through enhancing competitiveness, reducing the trade deficit to sustainable levels through promoting exports and substituting imports.

In this regard, the sector is continuously working towards: enhancing the legislative framework to regulate both the domestic and international market; conforming trade arrangements and our institutional setup with appreciation afforded to our national interest, customs and traditions. Putting this into action requires enhancing of our border operations and port establishments; and

promoting and understanding the demand of markets and how our supply could meet it.

Figure 22: Pillar Three - Enhance Market Access and Visibility for Samoan Goods and Services Outputs



This Pillar focusses on improving the support services to businesses through improved trade facilitation measures at the border (e.g. quarantine services, customs services etc.). There is also a need to accelerate the simplification of government processes to reduce costs of doing business. Moreover, the impacts of the schemes that have been operational for the last five years need to be evaluated, to ensure they are still relevant to priorities coming through the sector. Programmes to be reviewed include, but not limited to: PSSF, SBEC and the Duty Concession Schemes such as Code 121 and 131.

GOS also anticipates the improving of the trade balance through increased use of relevant trade agreements such as WTO, PICTA etc. There is also the need for the trade agenda to be more focussed on core export markets such as New Zealand, American Samoa, and Australia. Focus on improving trade in services with targeted support to core services in financial, telecommunications and agricultural sectors.

Moreover, the Sector anticipates the **building of Samoa's** potential to export services through the Labour Employee Export Programme (LEEP), capitalising on the successes from the New Zealand Regional Seasonal Employment (RSE) scheme and the Australian Seasonal Workers Programme (SWP). A priority for services is certification

and accreditation in order to further meet the international demand. Additionally, there are multiple service avenues that have yet to be articulated in Samoa, for example, sports and professional services.

Table 5: Pillar Three - Enhance Market Access and Visibility for Samoan Goods and Services Actions

Output 3.1 – Reduced cost of doing business	
3.1.1	Develop simple business set-up processes and streamline them on electronic platforms.
3.1.2	Develop of a central registration system for businesses in Samoa which would be used by all Government agencies (MfR, NPF, ACC) building on the success of the online company registration.
3.1.3	Review national tariff structure to reduce tariffs on inputs and capital goods for local production process and create an investment environment for export
3.1.4	Implement Samoa's Trade Facilitation Needs Assessment
3.1.5	Increase interventions aimed at reducing shipping costs
Output 3.2 – Improved access to various private sector support schemes	
3.2.1	Efficient implementation of assistance schemes administered through the Sector and research into other new incentives in accordance with the need of industries. Develop, review and promote government assistance schemes geared towards the private sector. To have a level playing field in terms of incentives and assistance between foreign and local investors.
3.2.2	Integrate overseas trade promotions and investment schemes (citizenship, tax incentives, customary land access etc.) into targeted packages for investors and development of a financing strategy to assist the transition of small businesses for expansion and sustainability of initial support by Government that include initiatives through the DBS, SBEC, SACEP and SBI.
3.2.3	Increased support for commercial agriculture project especially access to government land, trainings for farmers, and providing duty concessions.
3.2.4	Increase access to Competitive Financing: financial assistance such as the export financial guarantee scheme and revive the development bank to be the principal lender for the sector.
3.2.5	To further enhance market access for local entrepreneur.
3.2.6	Promote the Personal Properties Securities Act (PPSA) as a means for lowering costs of accessing credit.
3.2.7	A survey to be conducted in collaboration with SCCI and SAME to establish the most utilised GSP schemes by exporters, identify challenges in utilisation and make recommendations towards enabling improved utilisation of the schemes.
3.2.8	The private sector is encouraged to expand resources for marketing initiatives to evaluate overseas markets and develop relationships to secure market opportunities, including active

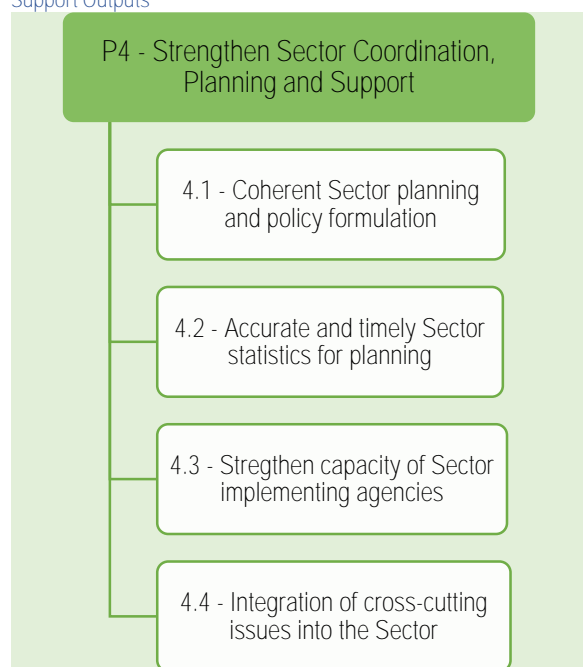
	participation in investment/trade missions and road shows.
3.2.9	Initiate and implement Public Private Partnerships (PPP) risk-sharing models in providing access to capital for MSME. This is by exploring utilisation of (i) Guaranteed lending through regulated banking financial firms; (ii) Intermediate Revolving lending through exempted non-bank financial firms and (iii) Other emerging financial instruments such as business angel financing and crowd funding.
3.2.10	Assess feasibility of establishing a carbon trading scheme/institution
3.2.11	Strengthen Government partnership with Private Sector organisations through cost-sharing and mutual capacity building.
Output 3.3 – Improved trade balance	
3.3.1	Exploration of the accession to the iEPA (Interim Economic Partnership Agreement) with EU, to promote investment for development of fisheries in Samoa. Also push through the comprehensive EPA discussions enhance trading for all other goods.
3.3.2	Negotiate a formal trade and economic cooperation agreement bearing in mind the need to confirm a clear mandate for American Samoa to negotiate a Trade and Economic Cooperation Agreement (TECA) with Samoa that would be easy to implement with simplified rules of origin. The TECA should include a limited number of key products that would be of great interest to both countries.
3.3.3	Negotiate with China the possibilities of extending preferential access of Samoa's products in consideration of the climate change impact on the economy and also in supporting trade development of Samoa.
3.3.4	Assist the Agriculture Sector with import substitution efforts and the Energy Sector with work on renewable energy sources which impacts the value of petroleum and like products that are imported into Samoa.
Output 3.4 – Increased labour mobility in foreign markets	
3.4.1	Provide administrative support for the Labour Employment and Export Program (LEEP) and explore additional overseas seasonal employment opportunities for Samoa. Explore and develop additional bilateral schemes, such as the New Zealand Regional Seasonal Employment Scheme (RSE) and Australian Seasonal Workers Program (SWP), to facilitate mobility for both skilled and unskilled labour in the region and internationally.
3.4.2	Review implementation of measures and strategies to enhance the participation of Samoa's services industry in international (services) trade including labour mobility
3.4.3	Include services liberalisation in the formal arrangement under negotiation.

*Actions are subject to change on an annual basis resulting from Annual Sector Reviews

5.3.4 | Pillar 4 – Strengthen Sector Coordination, Planning and Support.

Pillar four of the sector is ‘**Strengthening Sector Coordination, Planning and Support**’ and is basically the work and operations of the TCM institutional bodies, specifically the TCM-CU, and all TCM stakeholders that are carried out to support the SDS aspirations of ‘**Increasing Exports**’ and ‘**Developing the Private Sector**’.

Figure 23: Pillar Four - Strengthen Sector Coordination, Planning and Support Outputs



As previously indicated, the TCM-CU is mandated to coordinate and monitor the execution of the TCM-SP and to serve as Secretariat of its governing bodies. In this connection, the TCM-CU is responsible developing and updating the M&E framework, MTEF, and reporting to the numerous stakeholders of the TCM-SP.

Support is to be continued for the TCM-SC through the TCMCU and development of core elements such as the Medium Term Expenditure Framework (MTEF) and Monitoring and Evaluation (M&E) framework. Annual sector reviews are essential to ensure opportunities and challenges are addressed and priorities updated. Core agencies must provide timely and accurate statistics for monitoring the performance of the sector. There is also need to focus on provision of core business legislation that will impact on the sector. Essential to ensure annual training plans are developed for all sector training, is to take advantage of available courses through agencies such as WTO and the Samoa In-Country Training Programme. Climate change plays a significant role in the

sector given its influence on agricultural production and business security and business operations as a whole. Therefore, there is a need to assess relevant initiatives to ensure resilience of both farming and retail businesses in adapting to, or mitigating the risks associated with, climate change. We also need to push the role of female entrepreneurship to reflect progress in ensuring sustainable development goals in the sector.

Table 6: Pillar Four - Strengthen Sector Coordination, Planning and Support Actions

Output 4.1 – Coherent sector planning and policy formulation	
4.1.1	Develop and implement a National Industry Development Strategy/Industrial Policy to focus on enhancing value addition to products in areas which have comparative advantage and ensure that the necessary investment climate in terms of infrastructure, legislation is strengthened.
4.1.2	Promote the development of micro, small and medium enterprises (MSME) and implement macroeconomic policies and practices that are consistent with Samoa's objective of increasing exports and enhancing competitiveness.
4.1.3	Develop and implement measures and strategies to improve the participation of Samoa's services industry in international services trade
4.1.4	Strengthen the e-commerce regulatory framework & regulations.
4.1.5	Review and develop effective Industrial Relations, FEOP and OSH policies and procedures.
4.1.6	Incorporate Employment issues and target into the macroeconomic framework.
4.1.7	Strengthen Sector M&E Framework, Budgeting (MTEF) and TCM-CU capacity
4.1.8	Build on the Joint Policy Action Matrix (JPAM) to capture sources of sustainable financing
4.1.9	Review trade and other relevant commercial laws to create and support a dynamic trade sector
4.1.10	Undertake design and implementation of Special Economic Zones (SEZ) in Samoa focussing on the following areas: competitive tax and incentives regime; zone development and administration; environmental sustainability and climate change mitigation; and labour market productivity.
4.1.11	Improve the monitoring of local and foreign owned shops and issue warnings to those breaching any law and/or customs
4.1.12	Assess procedures, processes and documentation required for streamlining and improve efficiency inter-agencies
4.1.13	Enhance commitment with the International Labour Organisation.
4.1.14	Enhance the legislative and regulatory framework for labour standards, employment relations, and occupational health and safety
4.1.15	Implement and monitor commitments made in all trade agreements/ arrangements. Create a development-oriented trade policy in line with Samoa's development goals

Output 4.2 – Accurate and timely sector statistics for planning	
4.2.1	Review, research and update investment opportunities to be promoted.
4.2.2	Implementation of the Labour Market Information management system and collaborate with key stakeholders for better operation.
4.2.3	Create a Computerized Central Statistics Database for the Sector and its Implementing Agencies as a part of the management and information unit and use the data for research and diagnostic studies. Enhance an electronic database and filing system for sector implementing agencies. Implement the “One MCIL” initiative and provide resources
4.2.4	Statistics and performance monitoring indicators to be revisited (including disaggregation by age and gender) to measure Inclusive Growth as part of the Community Sector Plan 2016-2021 by MWCSO.
4.2.5	To develop measurable and substantive indicators to monitor results and performance from Trade Agreements (e.g. employment statistics from firms involved in export and tax revenue resulting from preferences accorded and MSMEs exporting to markets).
Output 4.3 – Strengthen capacity of sector implementing agencies	
4.3.1	Develop monitoring and evaluation framework with Sector Implementing Agencies to guide and monitor their role in terms of compliance with their relevant mandate. Restructure Sector implementing agencies to reflect the extent of the sector mandate.
4.3.2	More capacity building on Technical Barriers to Trade/Competition/Metrology and Codex.
4.3.3	Strengthen tripartite dialogue with key stakeholders on all labour/OSH related matters.
4.3.4	Research and develop an electronic customers-centered system for FEEPS.
4.3.5	Develop the capacities of private sector institutions to effectively engage with government on trade policy formulation through training in technical trade issues, enhanced dissemination of relevant information and trade negotiations, etc.
4.3.6	Develop an electronic monitoring system for business environment and cost structure
4.3.7	Enhance the capacity of the Sector Implementing Agencies to meet the implementation requirements of the Sector policies
4.3.8	Enhance the country capacity to Implement its WTO obligations and continue to work with lead agencies in implementing the post Accession Matrix and effectively engage in trade negotiations through close collaboration with International institutional capacity strengthening institutions.
4.3.9	Design and implement an immediate educational enhancing program for the private sector in rapid participation in trade in services with industries being explored or integrated under modes (1) – (4) of PICTA. Work with training institutions to provide business/ entrepreneurial skills and other skills relevant to private sector development, competitiveness and trade policy.

4.3.10	Strengthened collaboration between MfR, MCIL, MPMC and other relevant agencies to address issues with tax collection, business and immigration laws
4.3.11	Training needs program developed in line with Customs
4.3.12	Improved border operations and Customs Control Area (CCA)
Output 4.4 – Integration of cross-cutting issues into the sector	
4.4.1	Develop a robust disaster recovery plan for all electronic systems to ensure business continuity.
4.4.2	Sensitise the sector and its implementing agencies about climate change and adaptation and resilience measures
4.4.3	Integrate international goals and values into the sector in line with Samoa's national interest
4.4.4	Develop integrated climate resilient investments in collaboration with key sectors like energy and environment.
4.4.5	Incorporate Human Capital development into national objectives.
4.4.6	Ensure equal access for persons with specific needs (PWSN) in both paid and self-employment opportunities.
4.4.7	Promote gender equality in the work places and general employment opportunities.

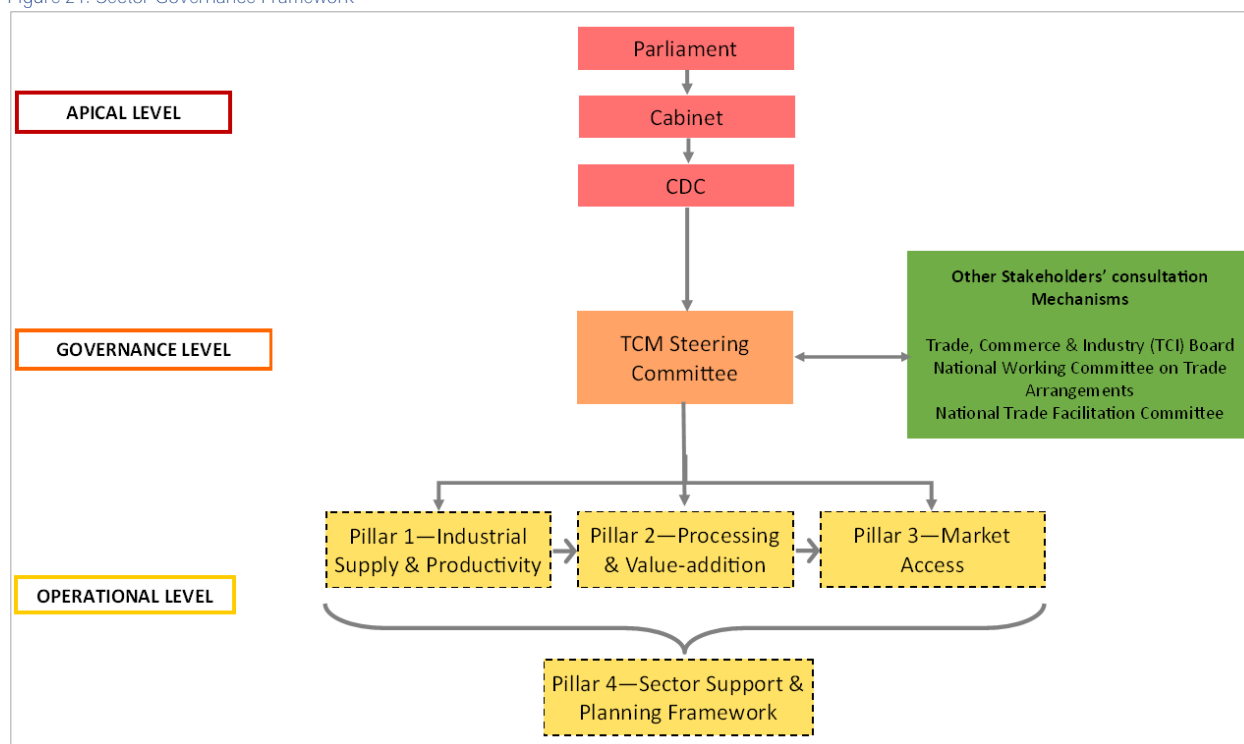
*Actions are subject to change on an annual basis resulting from Annual Sector Reviews

5.4 | Sector Governance

The need for a sustainably effective sector-wide coordination framework is pertinent to accommodate the requirements of taking a SWAP. There should also be a

foothold of the sector in the economy-wide setting and from this understanding institute the need for the sector and the relevance of the SWAP. In this regard, the following Figure captures the Sector Governance Framework:

Figure 24: Sector Governance Framework



The TCM-SP 2017/18 – 2020/21 necessitates that government, private sector and development partners adopt a programme-based approach, rather than project-based approach, to delivering support to the sector. This approach is also more comparable to the SWAP. Therefore, the TCM-SP rightfully underscores the importance of inclusiveness in implementation and coordination. Hence, in ensuring an orderly implementation, it features specific institutional arrangements, like the TCM Steering Committee (TCM-SC) and the Coordination Unit (TCM-CU), which were established in 2012.

The TCM-SC, made up of 25 government agencies and five private sector organisations, strategically oversees the implementation of the TCM-SP. The TCM-SC is also adjusted to perform the functions of the Integrated Framework National Steering Committee. Furthermore, there was previously the TCM Task Force (TCM-TF) established to follow through TCM-SC strategic decisions and to directly supervise the work of the TCM-CU. The understanding for the TCM-SC and TCM-TF was that the

TCM-SC is at the CEO level and the TCM-TF at the ACEO level. However, it was later discovered that the same representation was present in both seating and therefore making the Task Forces redundant.

Moreover, the TCM-CU is mandated to coordinate and monitor the execution of the TCM-SP and to serve as Secretariat of its governing bodies. The TCM-CU for the sector established under MCIL is capacitated with a Sector Coordinator, a Principal Finance and Procurement Officer, Principal M&E Officer, Senior Finance Officers and two Senior Sector Officers.

5.5 | Institutional Arrangements

The TCM Sector has 10 Implementing Agencies (IAs) carrying out sector initiatives: six Government Ministries/Agencies; 2 public bodies; and 2 private sector organisations. These organisations and their respective roles are presented in the Table below.

Table 7: TCM Sector Implementing Agencies

IAS	ROLES AND RESPONSIBILITIES
<i>Government Ministries/Agencies</i>	
Ministry of Commerce, Industry & Labour (MCIL)	MCIL has a broad mandate with responsibilities ranging from industry development and investment promotion, registration of companies and intellectual properties, fair trading, industrial relations and employment conditions, and labour market information collection and dissemination. The Ministry also houses the TCM Sector Coordination Unit. Moreover, MCIL is the bridge between government and the private sector, and they are the leading agency for promoting private sector development and creating an enabling operating environment for businesses.
Ministry of Foreign Affairs and Trade (MFAT)	The core mandate of the Trade Division of MFAT is trade policy development, trade negotiations, and export facilitation and promotion. At the operational level MFAT is responsible for formulating, negotiating and implementing the national trade policy. Furthermore, MFAT is the main channel of communication with other governments and administers foreign affairs and trade relations with other nations as well as policy advice and representation activities.
Ministry for Revenue (MfR)	MfR plays a key role in facilitating trade given their capacity to issue business licenses, implement the tariff structure, assist in tax lodgements, and participate in overseeing selective tax incentives provided to enable the business environment. The Customs section of MfR is also the focal point for border control as well as facilitating the movement of goods.
Ministry of Agriculture and Fisheries (MAF)	MAF has an enormous and challenging task given the importance of revitalising the agriculture sector. The Agriculture Sector has also been established with policies and strategies targeting supply side, institutional arrangements, quarantine and market access, as well as nominating and promoting more climate resilient crops. MAF and the Agriculture Sector are also very driven to explore opportunities for import substitution.
Samoa Bureau of Statistics (SBS)	The goal of SBS is to "provide high quality statistics concerning factors affecting the Samoan economy, government and population". Its long term objectives are to ensure the "integrity and timely provision of official statistical information as well as the

	maintenance of a well-managed registry to ensure the integrity of Births, Deaths and Marriages ". In this connection, they play a key role under the TSSP which is to undertake the national business activity survey to inform the TCM sector monitoring and evaluation mechanisms under Component 2.
Central Bank of Samoa (CBS)	CBS undertakes the formulation and implementation of monetary policy and related measures, which include open market operations in Central Bank Securities to influence the level of interest rates and the availability of credit, as well as collating and analysing data for the balance of payments. Its key role under the TSSP was to assist with the establishment of baseline data for trade in services under Component 3.
<i>Public Bodies</i>	
Samoa Trust Estates Corporation (STEC)	STEC was restructured as a privatised corporation in 1990 to divest interests in certain lands; to make provision for the reduction of debts due by it to the government. STEC is mandated to manage reparation estates formerly under New Zealand administration. It is a self-sufficient organisation which receives limited funding from government. Its key role under the TSSP is to assist with improving production and processing capacities under Component 4.
Scientific Research Organisation of Samoa (SROS)	SROS was set up in 2006 to provide scientific and technical research for the government and to develop new technologies to benefit Samoa's local industry . SROS's establishment is based on the realisation that adding value to primary produce overcomes some of the export trade challenges and contributes economic benefits. Its key role under TSSP is to assist with improving production and processing capacities under Component 2 and 4.
<i>Private Sector Organisations</i>	
Samoa Chamber of Commerce and Industries (SCCI)	SCCI, or the Chamber, is an incorporated association of businesses, private sector organisations and business people representing all areas of Samoa's private sector. The Chamber's purpose is "to act as Samoa's National Private Sector Organisation that will promote the interests, well-being and growth of Samoa's private sector at the national, regional and international levels to improve the economic and social well-being of the people of Samoa." Its key role under the TSSP is to assist with strengthening trade facilitation services under Component 3.
Women in Business Development Inc. (WIBDI)	WIBDI was established in 1991 as the Women in Business Foundation, initially to promote and advance the economic and business status of urban Samoan woman. Its main focus is ensuring vulnerable families in Samoa are able to contribute to their own development, the development of their community and country through income

	generation, job creation and participation in the village economy. Its key role under TSSP is to assist with improving production and processing capacities under Component 4.
Small Business Enterprise Centre (SBEC)	
Samoa Association for Manufacturers and Exporters (SAME)	

5.6 | Policy and Regulatory Framework

The TCM Sector has a wide Policy and Regulatory Framework which covers the wide mandate of business laws, international signatories, and other Regulatory roles and obligations:

Table 8: TCM Legislative and Policy Framework

Policy Type	Description
Legislation	<ul style="list-style-type: none"> ▪ Apprenticeship Act 2014 ▪ Apprenticeship Regulations 2014 ▪ Charitable Trusts Act 1965 ▪ Citizenship by Investment Act 2015 ▪ Companies Act 2001 ▪ Companies Regulations 2008 ▪ Consumer Information Act 1989 ▪ Cooperatives Societies Ordinance 1952 ▪ Cooperatives Societies Regulations 1954 ▪ Copyright Act 1998 ▪ Credit Union Ordinance 1960 ▪ Customs Act 2014 ▪ Customs Tariff Act 1975 ▪ Daylight Saving Act 2009 ▪ Fair Trading (Approved Egg Standards) Regulations 2010 ▪ Fair Trading Act 1998 ▪ Foreign Investment Act 2000 ▪ Foreign Investment Amendment Act 2015 ▪ Foreign Investment Regulations 2011 ▪ Immigration Act 2004, amendments and regulations ▪ Income Tax Act 2012 ▪ Incorporated Societies Ordinance 1952 ▪ Incorporated Societies Regulations 1973 ▪ Intellectual Property Act 2011 ▪ International Date Line 2011 ▪ Labour and Employment Regulations 2015 ▪ Labour and Employment Relations Act 2013 ▪ Metrology Act 2015 ▪ Occupational Safety and Health Act 2002 ▪ Occupational Safety and Health Regulations 2014 ▪ Personal Property Securities Act 2013

	<ul style="list-style-type: none"> ▪ Public Holidays Act 2008 ▪ Receiverships Act 2006 ▪ Securities Act 2006 ▪ Tax Administration Act 2012 ▪ Trade Commerce and Industry Act 1990 ▪ Transitional Provision Act 2006
International Laws	<ul style="list-style-type: none"> ▪ Codex Alimentarius Commission <ul style="list-style-type: none"> - Food Standards - Food Labelling - Toy Safety Standards ▪ Consumer International <ul style="list-style-type: none"> - World Consumer Rights Day - Consumer Rights and Consumer Protection - Consumer Information ▪ International Labour Organisation ILO Conventions <ul style="list-style-type: none"> - C029 Forced Labour Convention 1930 - C087 Freedom of Association and protection of rights to organize convention 1948 - C098 – right to organise and collective bargaining convention 1949 - C100 – equal remuneration convention 1951 - C105 – abolition of Forced labour convention 1957 - C111 – discrimination (employment and occupation) convention 1958 - C138 – minimum age convention 1973 - C182 – worst forms of child labour convention 1999 - MLC – maritime labour convention 2006 - Privileges and immunities convention 1948 ▪ United Nations Industrial Development Organization <ul style="list-style-type: none"> - Industry Developments ▪ World Intellectual Property Organization <ul style="list-style-type: none"> - 1967 Convention Establishing World Intellectual Property Organisation - 1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict - Hague Convention Abolishing the Requirement of Legislation for Foreign Public Documents - 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property - 1971 BERNE Convention for the Protection of Literary and Artistic Works - Paris Convention for the Protection of Industrial Property

	<ul style="list-style-type: none"> World Agencies for Investment Promotion Agencies <ul style="list-style-type: none"> Investment Promotion Agencies Pacific African Caribbean Pacific – European Union <ul style="list-style-type: none"> Economic Partnership Agreement – ongoing PACER PLUS and PICTA <ul style="list-style-type: none"> Trade in Goods Trade in Services Investment Chapter Temporary Movement of Natural Persons World Trade Organization
Other Regulatory Roles	<ul style="list-style-type: none"> Strategy for the Development of Samoa 2016/17-2019/20 – Priority Area 1: Key Outcome 3: Export Products Increased and Key Outcome 5: Participation of Private Sector in Development Enhanced Trade Commerce and Manufacturing Sector Plan 2012-2016, Ministerial and Departmental Arrangements Act 2003, Public Finance Management Act 2001, amendments, regulations, manuals and instructions, Public Bodies (Performance and Accountability) Act 2001 and, Public Service Act 2004, amendments, regulations and instructions
Legislated Committees	<ul style="list-style-type: none"> Apprenticeship Council Trade Commerce and Industry Board Samoa National Codex Committee Prices Control Board, Samoa National Tripartite Forum Trade, Commerce and Manufacturing Sector Steering Committee
Other Affiliations	<ul style="list-style-type: none"> Accident Compensation Corporation (ACC) Board Agriculture Sector Plan – Steering Committee & Working Groups (MAF) Disaster Advisory Committee – (MNRE DMO) Convention on Elimination of Discrimination Against Women (CEDAW-MWCSD), Climate Change committee (MNRE) Commercial Fisheries Management Advisory Committee (CF- MAC - MAF) Environment Sector Steering Committee (MNRE) Fire Emergency Service Committee (FESA) Forestry Board (MAF) Investment Committee (MOF) Livestock – Management Advisory Committee (L-MAC – MAF) National Disaster Management Committee (MNRE) National Energy Committee (MOF)

	<ul style="list-style-type: none"> National Heritage Committee – (MESC) National Revenue Board (MOF) National Tobacco Control Committee (MOH) National University of Samoa (NUS) National Working Committee on Trade Agreements (MFAT) Ozone committee (MNRE) Pesticides and Pollutant Committee (MNRE) Petroleum Taskforce Committee (MOF) Samoa Market Access Working Group – Pacific Horticultural & Agricultural Market Access (PHAMA) (MAF) Post-Secondary Education training (PSET) Committee, SACEP – Agriculture (MAF) Samoa Bureau of Statistics (SBS) Steering Committee Samoa National Youth Forum (MWCSD) Samoa Qualification Authority (SQA)Board Small Business Enterprises Centre (SBEC) Tourism Cyclone Recovery Programme (STA) Trade Advisory panel (SQA) Traditional Knowledge committee (SQA) TVET Implementation Committee (MESC)
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6 | THE OPERATIONS

6.1 | Monitoring and Evaluation Framework

6.1.1 | Samoa Monitoring Evaluation Reporting Framework

SDS Priority Area	SDS Key Outcome	Strategic Outcome	Indicator	Baseline Indicator	Implementing Sector	Implementing Agency
Economic	Macroeconomic Resilience Increased and Sustained.	Real GDP growth will average 3.0-4.0%	GDP growth rate	Real GDP growth average; Percentage of employment to GDP	Finance Sector Trade Sector	MoF, SNPF, SBS, MCIL
	Agriculture and Fisheries Productivity Increased	Agriculture/Fisheries production systems investment by private sector increased: New agribusinesses established in taro, fisheries and aquaculture, coconut based products, livestock and horticulture.	Investment in agriculture/fisheries, employment and inclusiveness.	Growth in agriculture and fisheries sector (real contribution to GDP %). Investment in agriculture and fisheries, employment and vulnerable group inclusiveness.	Agriculture Sector/ Trade Sector	MAF, DBS, STEC, SROS, MNRE, MCIL, SBS
		Domestic market production and food nutrition improved: 20% increase in volume of local food production (2014);	Volume, quality and prices of local food products. Area of land available/utilised, sustainability of practices, number businesses.	Value/volume, land area of agriculture and fisheries based production (Export/ domestic).	Agriculture Sector/ Health Sector/ Trade Sector	MAF, DBS, STEC, SROS, MNRE, MCIL, SBS
		Agriculture/fisheries value adding and exports increased:- Ratio of Agricultural exports to food imports more than doubled.	Crop/livestock improved products. Ratio Agricultural exports to imports;		Agriculture Sector/ Trade Sector	MAF, DBS, STEC, SROS, MNRE, MCIL, SBS
	Exports Products Increased.	Commerce and business investment environment for exports improved:- Streamlined foreign investment system;- Number of foreign investment certificates issued increased.	% change in Manufacturing GDP (agribusiness and tourism, domestic and international).	Investment levels (tourism, agribusiness, agriculture).	Trade Sector/ Agriculture Sector	MAF, DBS, MCIL, MFAT, STA, SBS

				Manufacturing production (agribusiness and fisheries).		
		Business productivity increased: – number Samoa Agriculture Competitive Enhancement Program projects and Samoa Agribusiness Project projects supported increased;	Export volume, value, type (agriculture, fisheries and tourism).	Climate and disaster resilience planning status.	Trade Sector/ Tourism Sector	MAF, MoF, MCIL, MFAT, STA, SBS
		Labour mobility increased: – number of work categories expanded in the regional employment scheme through negotiation with partner countries.	RSE categories.	International and domestic trade leve.	Trade Sector/ Tourism Sector/ Agriculture Sector	MAF, MoF, MCIL, MFAT, STA, SBS
	Participation of Private Sector in Development Enhanced.	Government services supporting private sector investment improved to encourage employment creation: - information and negotiation points with government established with 100% awareness of them by private sector.	% change in Commerce GDP. Employment creation in private sector. Information points established and use. Awareness levels of government contact and information sources.	Industrial production index.	Public Admin Sector/ Trade Sector	PSC, MoF, MCIL, SBS
		Investment environment for business improved: - increased number of foreign investment certificates issued.	Number foreign investment certificates.	Public and private sector employment figures.	Public Admin Sector/ Trade Sector	PSC, MoF, MPE, MCIL, MFAT, SBS
Infrastructure	Improved and Affordable Country Wide ICT Connectivity	Application of ICT made more sustainable: - E-governance and E waste plans implemented.	E-Governance and E-Waste implementation status.	Internet usage.	Communication Sector/ Trade Sector/ Public Admin Sector/ Environment Sector.	MCIT, OOTR, SBS, MPE, MWTI, MNRE.

6.1.2 | TCM-SP 2017/18 – 2020/21 M&E Framework

SDS Outcomes	Overall Objective (End of SP Outcome)	Indicators	Baseline (Period)	Target (End of SP)	Source/ Frequency	Assumptions & Risks
Outcome 1 – Macroeconomic Resilience Increased and Sustained	Sustainable trade, commerce and manufacturing for enhanced growth and development	GDP growth rate and value	Growth rate – 1.7% (FY2011/12 – FY2015/16) Value – 1.7 billion (FY 2011/12)	Growth rate – 2.17% (FY2016/17 – FY2020/21) Value – 2.11 billion (FY 2020/21)	CBS Bulletin/ annual	The GDP growth rate over the assessed five-year period is 1.7% compared to the targeted growth of 3-5% per annum envisaged in the SDS 2012-2016. At this rate we can expect a GDP growth rate of 3.1% for this 2017/18-2020/21 planning period. However, in anticipation of another major natural disaster, the Samoan economy is optimistically envisaged to grow 2.17% (3.1% - (0.30 × 3.1%)) over the period. The growth will mainly be driven by the commerce sector, with support from the revamped and revitalised agriculture, fisheries and manufacturing sectors.
SDS Outcomes	TCM-SP Purpose (Pillars/Outcomes)	Indicators	Baseline (Period)	Target (End of SP)	Source/ Frequency	Assumptions & Risks
Outcome 2 – Agriculture and Fisheries Productivity Increased	1 - Improve Industrial Supply and Productivity	Percentage and Value of Commerce, Manufacturing and Agriculture and Fisheries in GDP	Commerce - \$517.9 million (30.4%) (FY2011/12) Manufacturing (including food and beverages) - \$179.5 million (10.5%) (FY2011/12) Agriculture and Fisheries - \$166.7 million (9.8%) (FY2011/12)	Commerce - \$660.7 million (31.4%) (FY2020/21) Manufacturing (including food and beverages) - \$188.6 million (8.9%) (FY2020/21) Agriculture and Fisheries - \$217.6 million (10.3%) (FY2020/21)	CBS Bulletin/ annual	Value of Commerce increases through increased activity in the retailing sector. Although the agro-processing sector shows promising initiatives, the investment by government and private entities through various agriculture projects has yet to come into fruition. The primary Sector anticipates increased developments in the fisheries sector, withstanding any natural disaster occurs in this planning period.
		Economically Active Rate	47,881 people of 106,615 (45%) (2011)	55,925 people of 114,297 (49%) (2021)		Based on 2016 Census projections.
Outcome 5 – Participation of Private Sector in	2 - Increase Processing Activities and Value-addition	Agro-processing contribution to industrial production	5.47% (FY2009/10)	8.73% (FY2020/21)	CBS Bulletin/ annual	Private Sector and government investment into agro-processing comes into fruition in this planning period.

Development Enhanced						
Outcome 3 – Export Products Increased	3 - Enhance Market Access and Visibility for Samoan Goods and Services	Trade Balance	\$(457) million (FY2011/12)	\$(387) million (FY2020/21)	CBS Bulletin/ annual	<p>The outlook for goods export is also envisaged to significantly fluctuate subject to growing fish exports to China (Hong Kong), increased coconut by-product exports to USA, revamping of the cocoa route to New Zealand, and the impact of the reversed EU ban on kava for medicinal purposes. However, we have to be mindful of unpredicted natural disruptions (like natural disasters and harmful pests) that directly impact the supply chain for all products.</p> <p>For trade in services, it is obvious that travel is its determining factor. Hence, it is envisaged for travel to grow in-line with the revamping of the Faleolo International Airport and the Samoa Airways and the increasing of number of airlines servicing Samoa, as well as number of flights to and from Samoa.</p>
Outcome 3 – Export Products Increased Outcome 5 – Participation of Private Sector in Development Enhanced	4 - Strengthen Sector Coordination, Planning and Support	Tracking of TCM SP 2017/18-2020/21	<p>M&E baseline figures presented herein.</p> <p>MTEF annual commitment - \$18.4 million (FY2013/14)</p>	<p>M&E forecasted figures presented herein.</p> <p>MTEF annual commitment - \$23 million (FY2020/21)</p>	TCM, MOF/ annual	<p>M&E all assumptions and risks for each indicator are noted in this framework.</p> <p>MTEF increased commitment are dependent on the pledged figures from development partners, specifically bi-lateral commitments from New Zealand in the cocoa industry and private sector development initiatives.</p>
Pillar (Outcomes)	Programme Results (Outputs)	Indicators	Baseline (Period)	Target (End of SP)	Source/ Frequency	Assumptions & Risks
Pillar 1 – Improve industrial supply and productivity	1.1 – Improved productivity of key industries	<p>Value of Manufacturing in GDP</p> <p>Agro-processing contribution to industrial production</p>	<p>\$179.5 million (FY2011/12)</p> <p>5.47% (FY2009/10)</p>	<p>\$188.6 million (FY2020/21)</p> <p>8.73% (FY2020/21)</p>	CBS Bulletin/ annual	Private Sector and government investment into agro-processing comes into fruition in this planning period.

	1.2 – Consistent quality and quantity of primary sector supply	Value of Agriculture and Fisheries in GDP	Agriculture and Fisheries - \$166.7 million (9.8%) (FY2011/12)	Agriculture and Fisheries - \$217.6 million (10.3%) (FY2020/21)	CBS Bulletin/ annual	The primary Sector anticipates increased developments in the fisheries sector, withstanding any natural disaster occurs in this planning period.
Pillar 2 – Increase processing activities and value-addition	2.1 – Increase number of value-added products	Value of Goods Export	\$67 million (FY2011/12)	\$100 million (FY2020/21)	CBS Bulletin/ annual	Private Sector and government investment into agro-processing comes into fruition in this planning period, withstanding any natural disaster occurs in this planning period.
	2.2 – Improve quality assurance standards for key processing industries	Number of ISO and HACCP certified companies	22 Companies (2016)		SAME/ every four years	Understanding by suppliers of need to maintain high quality standards; Damage to brand reputation if quality control/ food safety standards are not met
	2.3 – Establish quality standards for key services	Number of Apprenticeship Scheme Graduates	29 (2012)	40 (FY2020/21)	MCIL (AELM)/ annual	Impact Assessment of the scheme is underway. There is a need to further review and revamp the scheme to make it more enticing to both men and women. Also need to add at two more trades, specifically those for women in this planning period.
Pillar 3 – Enhanced market access and visibility for Samoan goods and services	3.1 – Reduced cost of doing business	Doing Business – Distance to Frontier (100)	65.9 (2014)	68 (FY2020/21)	WB Doing Business report/ annual	Significant improvement is noted for accessing credit given recent developments in using personal properties as collateral. There needs to be more efforts directed towards these two problematic areas: Accessing/Getting Credit; and Resolving Insolvency.
	3.2 – Improve access to various private sector support schemes	Number of Private Sector Support schemes	5 (2011)	8 (FY2020/21)	MCIL (IDIP), MAF, MOF	
	3.3 – Improve trade balance	Balance of Trade in Goods	\$(705) million (FY2011/12)	\$(697) million (FY2020/21)	CBS Bulletin/ annual	<p>The outlook for goods export is also envisaged to significantly fluctuate subject to growing fish exports to China (Hong Kong), increased coconut by-product exports to USA, revamping of the cocoa route to New Zealand, and the impact of the reversed EU ban on kava for medicinal purposes. However, we have to be mindful of unpredicted natural disruptions (like natural disasters and harmful pests) that directly impact the supply chain for all products.</p> <p>The normalising of imports is envisaged through the decrease in the value of petroleum imports by approximately SAT\$ 55 million per annum, on the basis of the commitment by the GOS to increase electricity</p>

						production from renewable energy sources. ⁷ Moreover, the impact of the Trade Sector Support Programme (EIF Tier II); the work done by the Agriculture Sector in import substitution; and promotion of local produces for wellness by the Health Sector, are all expected to come into fruition over the planned period.
		Balance of Trade in Services	\$248 million (FY2011/12)	\$310 million (FY2020/21)	CBS Bulletin/ annual	For trade in services, it is obvious that travel is its determining factor. Hence, it is envisaged for travel to grow in-line with the revamping of the Faleolo International Airport and the Samoa Airways and the increasing of number of airlines servicing Samoa, as well as number of flights to and from Samoa.
	3.4 – Increase labour mobility in foreign markets	Number of people deployed to foreign markets	1162 (FY11/12)	3399 (FY2020/21)	MCIL (SEU)/ annual	Anticipating an increase in the New Zealand RSE quota, and the Australian SWP remains uncapped.
Pillar 4 – Strengthen sector coordination, planning and support	4.1 – Coherent sector planning and policy formulation	Number of evidence policy advice provided to Implementing Agencies (documented)	5 (FY2016/17)	10 (FY2020/21)	MCIL	Assuming the Sector resumes the Policy Advice function of the Ministry of Commerce, Industry and Labour.
	4.2 – Accurate and timely sector statistics for planning					
	4.3 – Strengthen capacity of sector implementing agencies					
	4.4 – Integration of cross-cutting issues into the sector	Number of training on business continuity, climate change, equal opportunity, etc.	0	4	MCIL, SCCI, MNRE, SBEC, all other relevant organisations	Subject to availability of funding

⁷ Electric Power Corporation Corporate Plan 2016-18

6.2 | Medium Term Expenditure/Budget Framework (MTEF)

6.2.1 | Overview

6.2.1.1 | Purpose and objectives of estimates

The Medium Term Expenditure Framework (MTEF) is a tool for linking policy, planning and budgeting over the medium-term at the Government-wide level. Under the Public Finance Management Reform Plan 2008-2013, formulation of a sector MTEF is required as the means of linking sector plans to the budget process ensuring that the actual allocation of public resources aligns with sectoral and national development priorities.

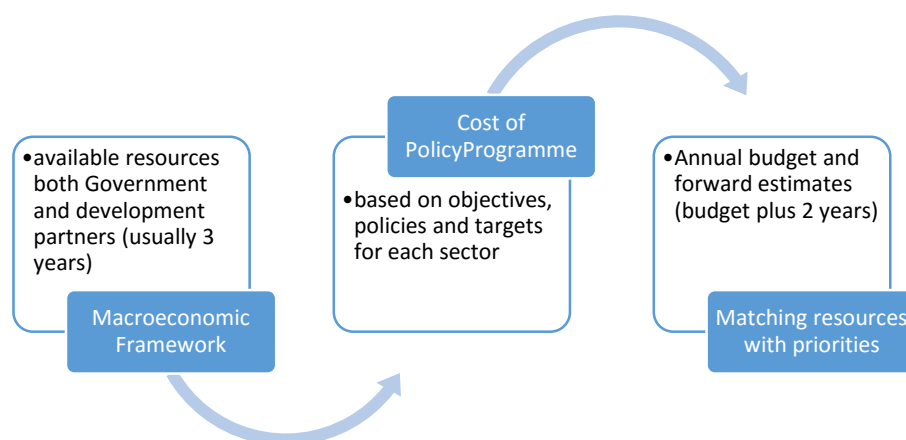
The MTEF for the Trade, Commerce & Manufacturing Sector Plan 2017/18-2020/21 (TCMSP) has brought together financial and expenditure planning data and attempted to estimate total planned expenditures from all sources of finance available, primarily the TCMSP, annual budget estimates, corporate plans and feedback key stakeholders. These inputs have been used to generate the first estimates of expenditure over the period FY2017/18 – FY2020/21.

Given these are based on forward estimates, the quality of the data is considered variable. As the three-year rolling MTEF is implemented and estimates are updated on an annual basis through the national planning and budgeting processes, these estimates will become much more robust and accurate.

6.2.1.2 | Methodology for preparation of estimates

The MTEF is a framework for allocating resources to support the implementation of agreed sector priorities within the Government annual budget process. This framework is summarised in Figure 1 below:

Figure 25: Medium Term Expenditure Framework Overview



The methodology for the preparation of the MTEF estimates included an analysis of key trends in the sector based on available national statistics and relevant reports.

The costing method used is consistent with the Government budget approach and involved a two-step process:

- i. Review of available information
 - Cost analysis of government expenditure for delivering existing policy initiatives in the sector. Consolidating and presenting the historical cost analysis from FY2013/14 to FY2016/17 under the refined MTEF conceptual framework.
- ii. Forecasting
 - Reconfirming policy performance indicators and targets for the period FY2017/18 to FY 2020/21.
 - Identifying and forecasting both recurrent and development estimates and resources available to implement new policy and programmes for the period FY2017/18 to FY2020/21.

6.2.1.2 | Scope of MTEF

The initial TCM-SP 2017/18-2020/21 Action Matrix has a total of 93 actions, filtered through 13 Outputs and 4 Overarching Outcomes/Pillars/Goals. The baseline cost for these priorities was estimated at around ST\$95.2 / US\$ 40.4 million over this TCM-SP period. The following core implementing agencies were identified to be directly doing activities in the initial Action Matrix:

- iv. Three government ministries – Ministry of Commerce, Industry and Labour (MCIL), Ministry of Foreign Affairs and Trade (MFAT), and Ministry for Revenue;
- v. One state-owned enterprise – Scientific Research Organisation of Samoa (SROS)
- vi. Two private sector organisations – Samoa Chamber of Commerce and Industry (SCCI) and Samoa Association of Manufacturers and Exporters (SAME).

Moreover, the majority of actions are shared with other Sectors, with those actions more related to those other Sectors. For example, a bulk of the TCM Sector work are directly related to the Agriculture Sector, particularly those in Pillar 1 – Improve Industrial Supply and Productivity. Therefore, the following agencies are also included in the Sector MTEF:

- iv. Two government ministries – Ministry of Agriculture and Fisheries (MAF) and Ministry of Health (MOH);
- v. One state-owned enterprise – Samoa Trust Estates Corporation (STEC);
- vi. One private sector organisations – Women in Business Development Inc. (WIBDI)

The following MTEF conceptual framework highlights the linkages between the sector priority objectives (SPOs) and public spending in the sector.

Table 9: Refined Sector MTEF Conceptual Framework

Refined Sector Pillars	Sector Outputs	Ministry Budget Output & Expenditure Type
Pillar 1: Improve Industry Supply and Productivity	1.1 - Improved productivity of key industries 1.2 - Consistent quality and quantity of primary sector supply	A. Recurrent MAF Output 4: Crops, Research, Commercial Development & Advisory Services MAF Output 5: Animal Production, Health and Research Services MAF Output 6: Fisheries Management, Planning and Research Services MCIL Output 5: Administration of Apprenticeship and Employment Services SROS Output 3: Plant & Food Research and Development B. Development Expenditure Samoa Agricultural Competitiveness Enhancement Programme (SACEP) Pacific Horticultural and Agricultural Market Access (PHAMA) Enhanced Integrated Framework (EIF) Tier 2: Trade Sector Support Programme (TSSP) Component 4
Pillar 2: Increase Processing Activities and Value-addition	2.1 - Increase number of value-added products 2.2 - Improve quality assurance standards for key processing industries 2.3 - Establish quality standards for key services	A. Recurrent MCIL Output 4: Enforcement of Fair Trading and Codex Development MCIL Output 6: Enforcement of Labour Standards MCIL Output 7: Enforcement of Occupational, Safety and Health Standards SROS Output 4: Industrial Product Development Services SROS Output 5: Commercial Technical Services B. Development Expenditure EIF Tier 2: TSSP Component 4
Pillar 3: Enhance Market Access and Visibility for Samoan Goods and Services	3.1 - Reduce costs of doing business 3.2 - Improve access to various private sector support schemes	A. Recurrent MCIL Output 3: Management of Investment Promotion & Industry Development MCIL Output 9: Labour Employment Export Programme MFAT Output 5: Trade Development and Promotions MfR Output 7: Trade Facilitation

Refined Sector Pillars	Sector Outputs	Ministry Budget Output & Expenditure Type
	3.3 - Improved trade balance 3.4 - Increase labour mobility to foreign markets	MAF Output 3: Agricultural Quarantine and Regulation Services B. Development Expenditure EIF Tier 2: TSSP Component 2 Private Sector Support Facility (PSSF) Asian Development Bank (ADB) Private Sector Development
Pillar 4: Strengthen Sector Coordination, Planning and Support	4.1 - Coherent Sector planning and policy formulation 4.2 - Accurate and timely Sector statistics for planning 4.3 - Strengthen capacity of Sector implementing agencies 4.4 - Integration of cross-cutting issues into the Sector	A. Recurrent MCIL Output 1: Policy Advice to the Minister MCIL Output 2: Ministerial Support MCIL Output 6: Enforcement of Labour Standards MCIL Output 7: Enforcement of Occupational, Safety and Health Standards MCIL Output 8: Management of the Registries of Companies, Intellectual Properties SBS Output 2: Compilation of Economic Statistics SBS Output 3: Compilation of Finance Statistics B. Development Expenditure EIF Tier 1 EIF Tier 2: TSSP Components 1 & 3, Contingency

MCIL, through the TCMCU and in collaboration with the Ministry of Finance, will be responsible for accounting for and updating the sector MTEF. These arrangements will follow government policies set out in the Treasury Instructions 2013, Sector Planning Guidelines 2015 and the MTEF Training & Skills Assessment Manual 2014.

6.2.2 | Historical Trends in Sector Expenditure

6.2.2.1 | Sector Planning Overview

Key planning and policy initiatives for trade development over the next four years are articulated in the Strategy for the Development of Samoa (SDS) 2016/17-2019/20. National targets for the sector are summarised in Table 3.

Table 10: Summary of Strategy for the Development of Samoa 2012-2016

KEY OUTCOME & STRATEGIES	INDICATORS
<p>Outcome 3: Re-vitalised Exports</p> <p>Strategies</p> <ol style="list-style-type: none"> 1 Commerce and business investment environment for exports improved: streamlined foreign investment system; number of foreign investment certificates issues increased; 2 Business productivity increased: Number of Samoa Agriculture Competitive Enhancement (SACEP) projects and Samoa Agri-business projects supported increased; and 3 Labour mobility increased: number of work categories expanded in the regional employment scheme through negotiation with partner countries. 	<ol style="list-style-type: none"> 1 Percentage change in Manufacturing portion of GDP (agribusiness and tourism, domestic and international) 2 Export volume, value, type (agriculture, fisheries and tourism) 3 RSE categories.
<p>Outcome 5: Enabling environment for business development</p> <p>Strategies</p> <ol style="list-style-type: none"> 1 Government services supporting private sector investment improved to encourage employment creation: information and negotiation points with 	<ol style="list-style-type: none"> 1 Percentage change of Commerce Sector contribution to GDP; 2 Employment creation in private sector; 3 Information points established and used; and 4 Awareness levels of government contact and information sources (Public Administration Sector); 5 Number of foreign investment certificates;

<p>government established with 100% awareness of them by private sector;</p> <p>2 Investment environment for business improved: increased number of foreign investment certificates issued; and</p> <p>3 Public sector performance management capacity strengthened: Implementation of the National Performance Management Framework and National Human Resource Development Plan.</p>	<p>6 National Performance Management Framework status and impact (Public Administration Sector);</p> <p>7 National Human Resource Development Plan status and impact (Public Administration Sector)</p>
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6.2.2.2 | Sector Situational Analysis

The *Situation* section of this TCM-SP 2017/18-2020/21 details trade statistics defining trends in the sector. That section of the TCM-SP provides an overview of the TCM Sector Performance since Financial Year (FY) 2011/12 or Calendar Year (CY) 2012. Based on data collected through the national agencies including Central Bank of Samoa (CBS) and Samoa Bureau of Statistics (SBS) trends identified were categorised into three areas (i) SDS Key Outcome One – Macroeconomic Resilience Increases and Sustained; (ii) SDS Key Outcome 3 – Export Products Increased; and (iii) SDS Key Outcome 3 – Participation of Private Sector in Development Enhanced. To ensure consistency, the analysis will mostly use data for the period FY2011/12-2015/16 and CY2012-2016, unless it is stated otherwise.

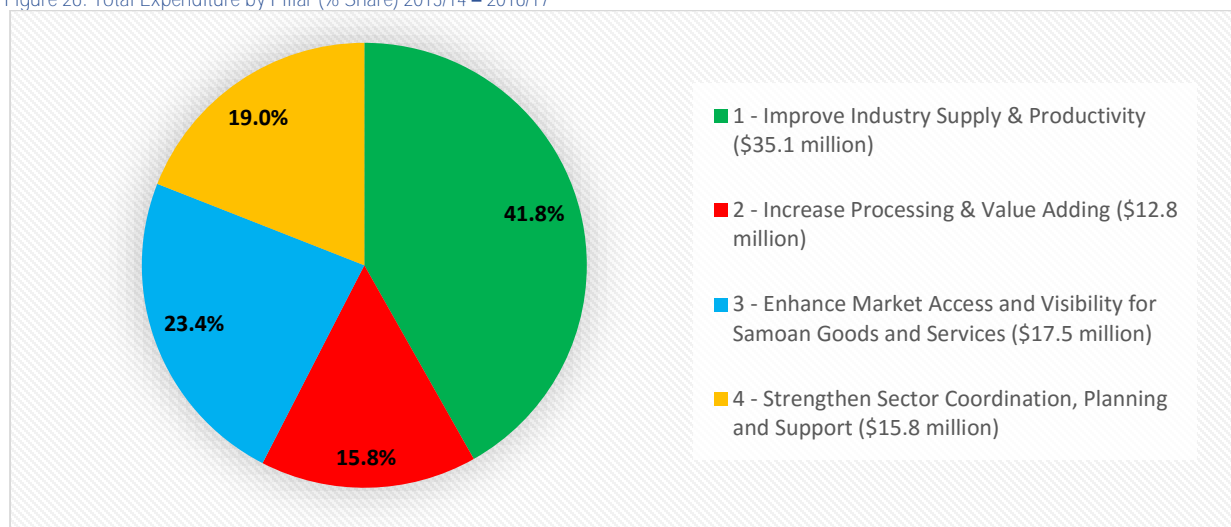
6.2.2.3 | Sector Expenditure Trends by Pillar

Utilising the refined MTEF conceptual framework presented in Chapter 1, spending in the sector over the period FY 2013/14 to FY 2016/17 is summarised under the following pillars:

- Pillar 1: Improve Industry Supply and Productivity
- Pillar 2: Increase Processing and Value-adding
- Pillar 3: Enhance Market Access and Visibility for Samoan Goods and Services
- Pillar 4 Strengthen Sector Coordination, Planning and Support

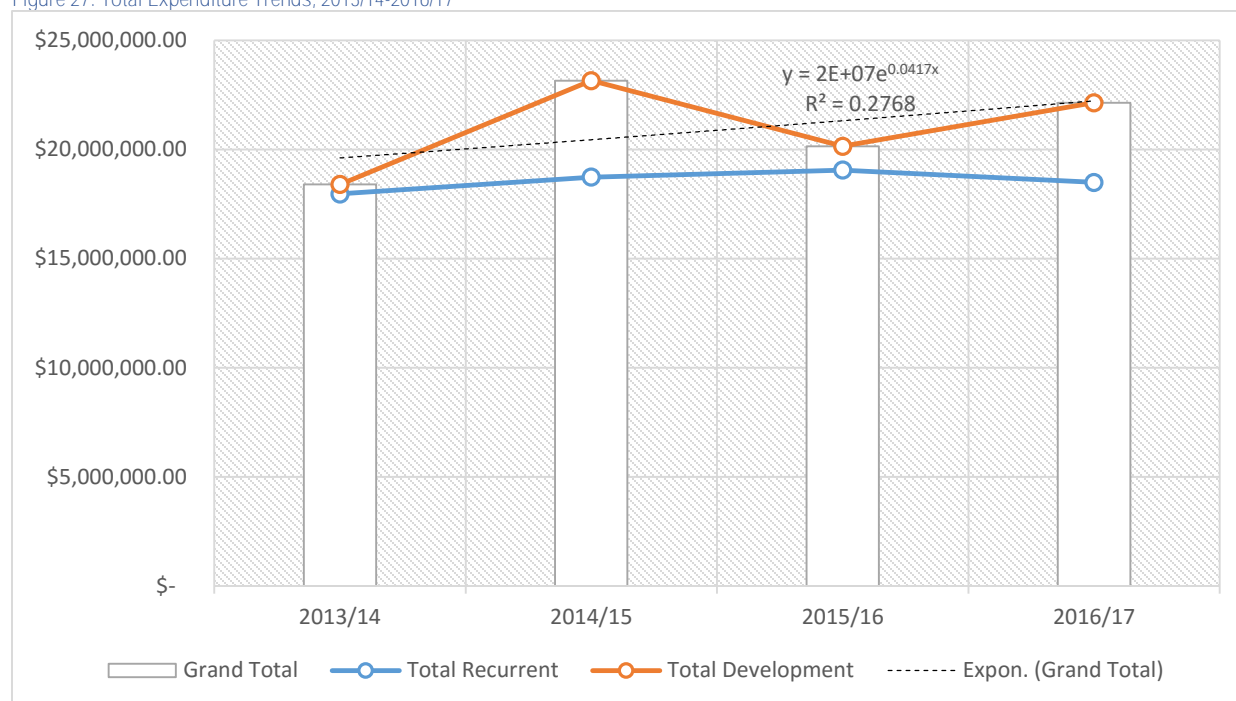
The total expenditure in the sector during the review period was \$83.8 million, with recurrent expenditure amounting to \$74.2 million and development funded expenditure totalling \$9.6 million. The total share of expenditure per pillar indicates that 41.8% of total resources were spent on improving industry supply and productivity under (Pillar 1), 15.8% on strengthening processing and value adding under (Pillar 2), 23.4% on enhancing market access and visibility for products (Pillar 3), and 19% on strengthening sector coordination and support (Pillar 4).

Figure 26: Total Expenditure by Pillar (% Share) 2013/14 – 2016/17



The trend line for the overall Sector budget shows a 4% growth in the assessed period. This is mainly due to the contribution of development partners via projects. The re-current budget shows a significantly slow decline, but this factor will be revisited upon completion of future projections in the next chapter.

Figure 27: Total Expenditure Trends, 2013/14-2016/17



6.2.2.3.1 | Pillar 1 – Improve Industry Supply and Productivity

Programmes summarised below have been funded mainly through the recurrent budgets of Ministry of Agriculture (MAF), Scientific Research Organisation of Samoa (SROS) and Ministry of Commerce, Industry and Labour (MCIL). There are also development partner projects that were rolled out later on in the assessed period.

Figure 28: Pillar 1 Expenditure, 2013/14 – 2016/17

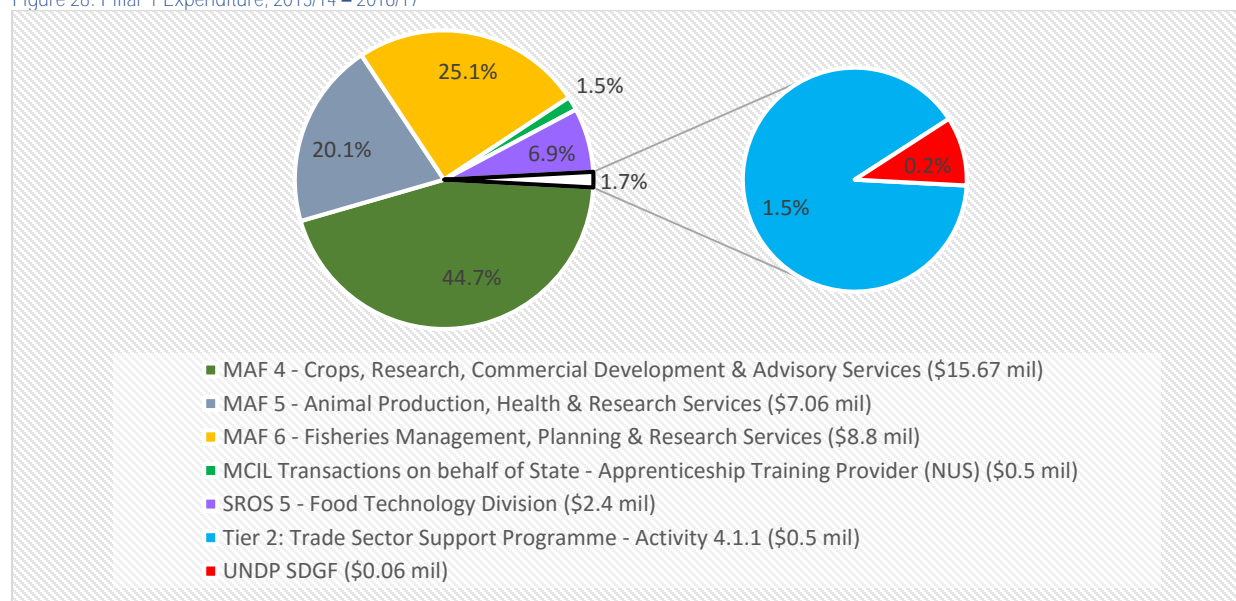


Figure 29: Pillar 1 Trends, 2013/14-2016/17

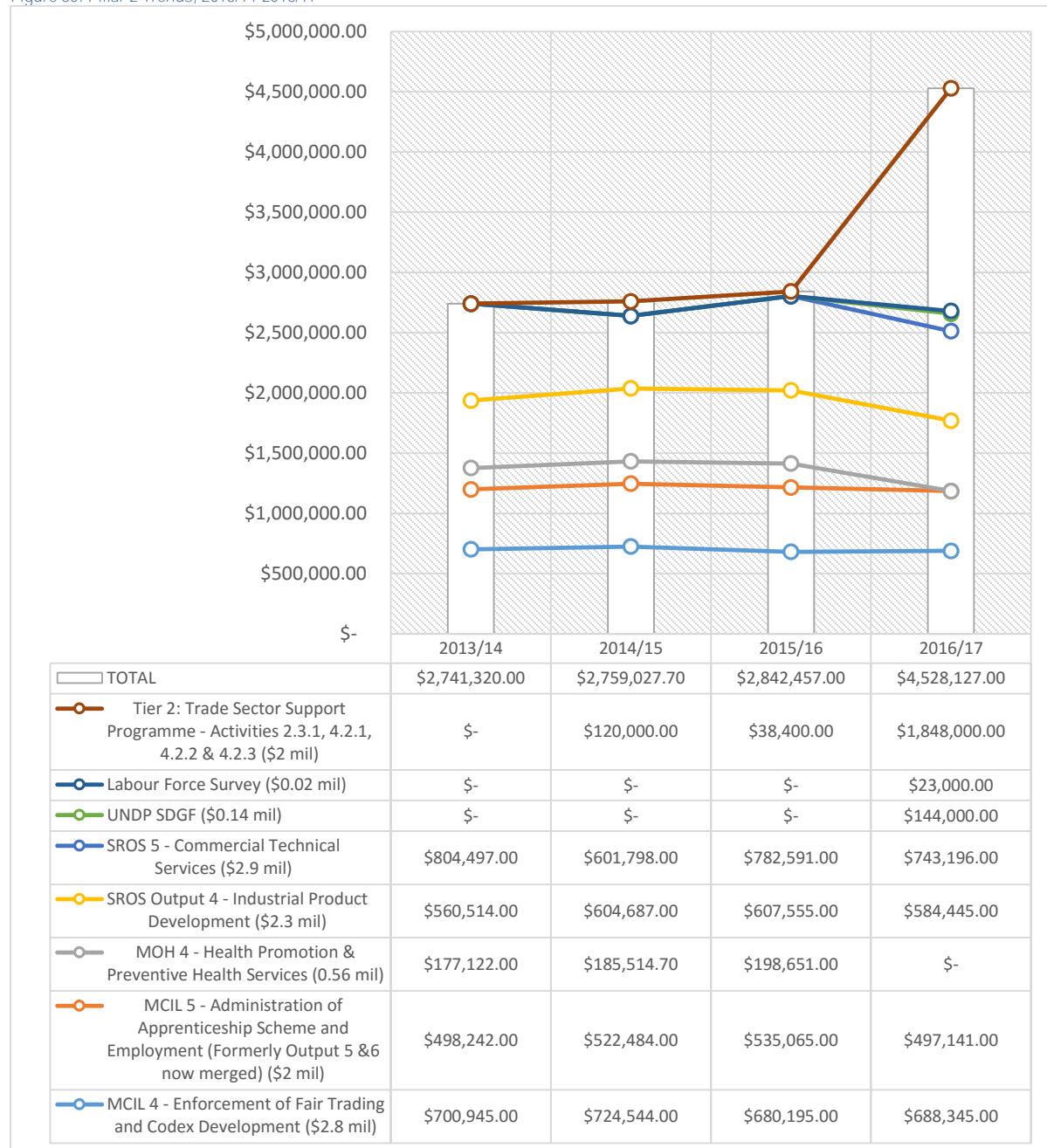


The total estimated expenditure for these programmes under Pillar 1 between 2013/14 to 2016/17 amounted to \$35.1 million due to the significant investment of the Government into the Ministry of Agriculture/Agriculture Sector. These programmes including MAF outputs four (Crops Research Commercial Development and Advisory Services), five (Animal Production Health & Research Services) and six (Fisheries Management Planning & Research Services) and SROS Output three have received consistent funding during this period. The development fund expenditure for this Pillar started in the latter half of the period with the EIF Tier 2 Trade Sector Support Programme (TSSP) rolling out. WIBDI also managed to secure funding for farm training in this period from the United Nations Sustainable Development Goals (UN-SDG) funds, through the UNDP.

6.2.2.3.2 | Pillar 2 – Increase Processing and Value Adding

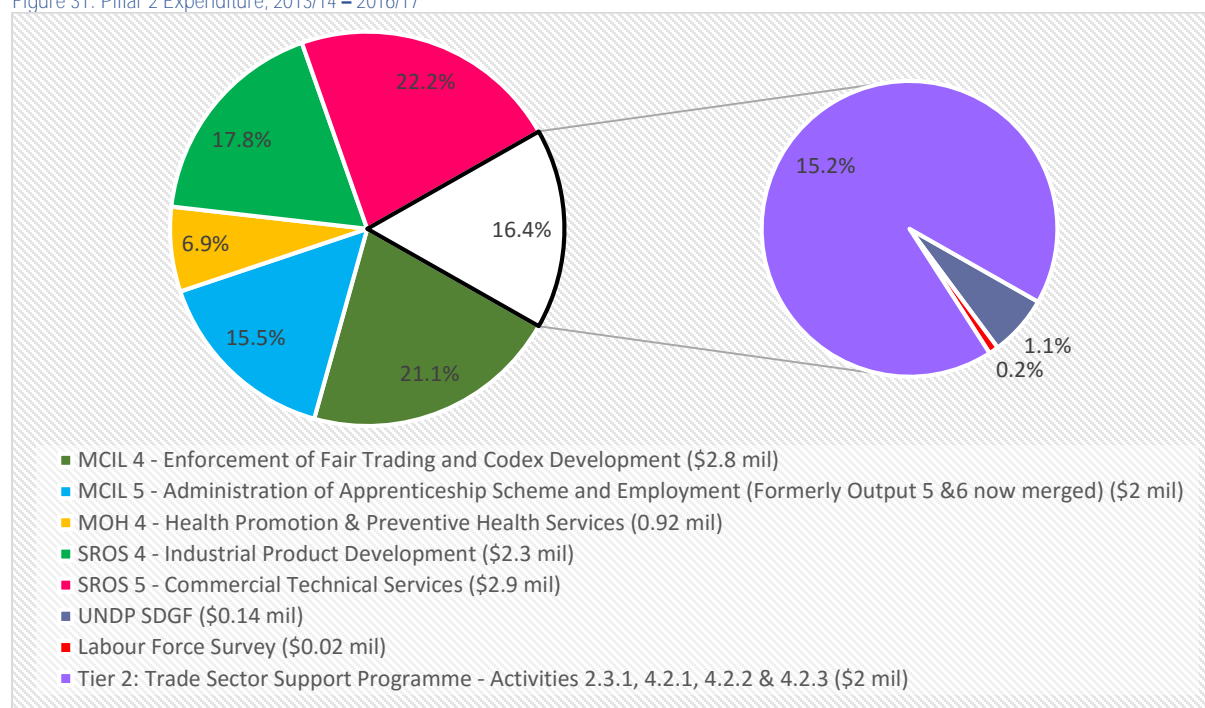
Expenditure under this pillar have been channelled through MCIL, Ministry of Health (MOH) and SROS programmes summarised below:

Figure 30: Pillar 2 Trends, 2013/14-2016/17



Total recurrent expenditure for the period 2013/14 to 2016/17 amounted to \$11 million for this outcome. This was mainly due to increasing expenditure on the financing of health promotion and preventative health services (with a focus on food safety) through MOH and introduction of commercial technical services through SROS in 2013/14. Expenditure for other programmes such as enforcement of Fair Trading and Codex development through MCIL and SROS industrial product development have maintained a fairly consistent level of spending. The development expenditure identified during this period under Pillar 2 amounted to \$2.15 million in the assessed period.

Figure 31: Pillar 2 Expenditure, 2013/14 – 2016/17



6.2.2.3.3 | Pillar 3 – Enhance Market Access & Visibility for Samoan Goods and Services

The programmes under this pillar have been delivered through MAF, MCIL, Ministry of Foreign Affairs and Trade (MFAT), Ministry for Revenue (MfR) and the Small Business Enterprise Centre (SBEC). These programmes include both recurrent and development funded programmes as follows:

Figure 32: Pillar 3 Expenditure, 2013/14 – 2016/17

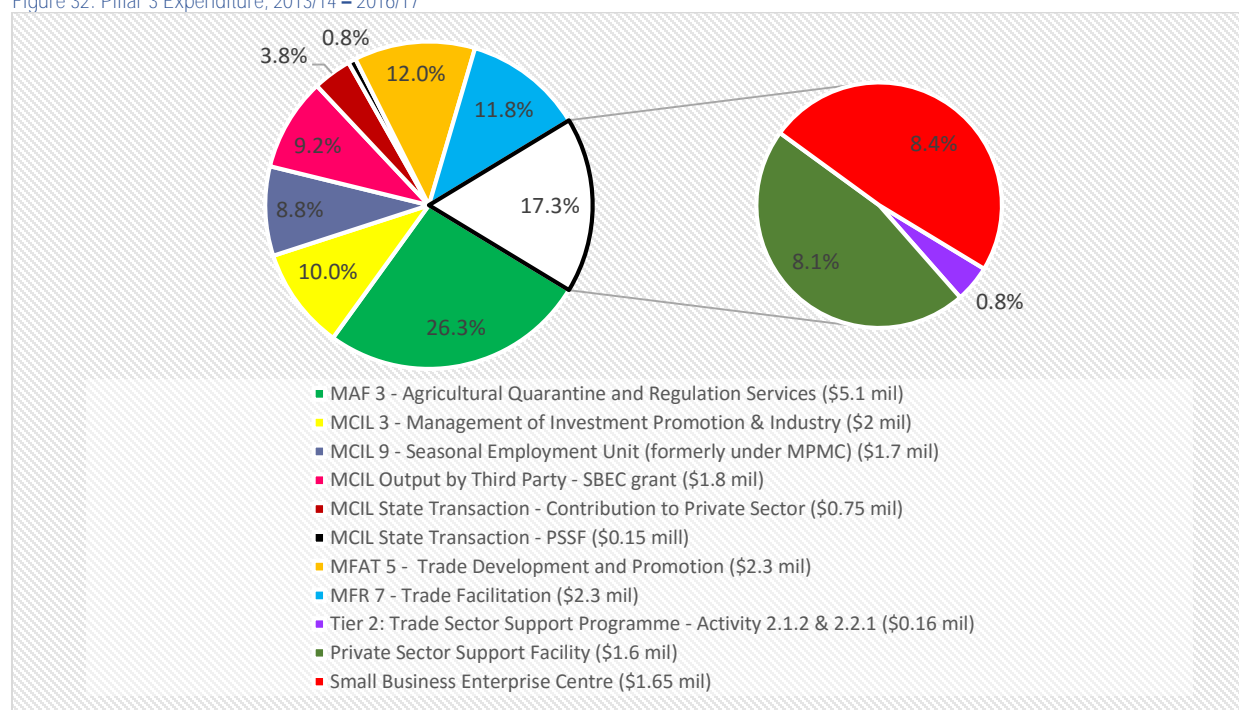
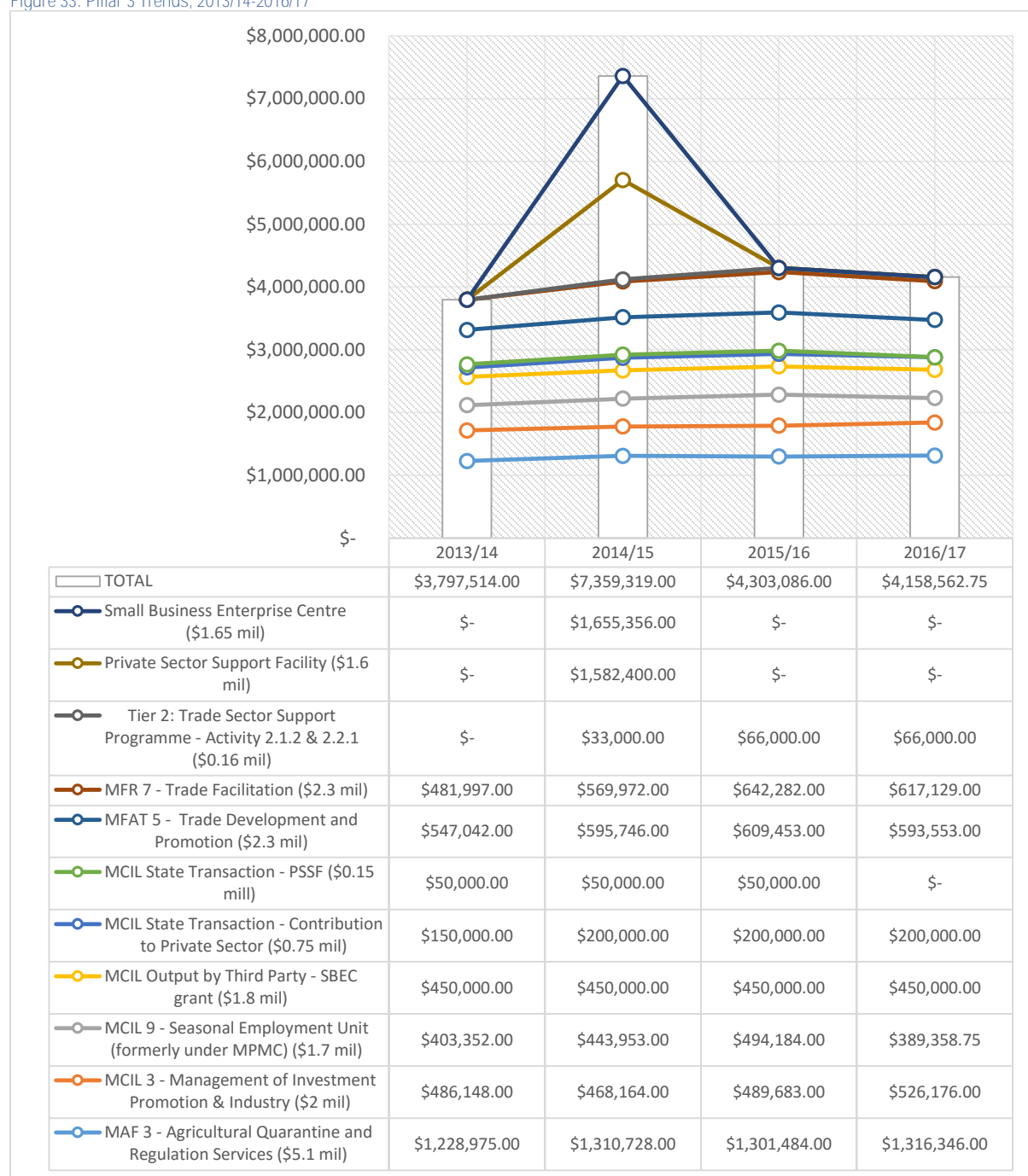


Figure 33: Pillar 3 Trends, 2013/14-2016/17



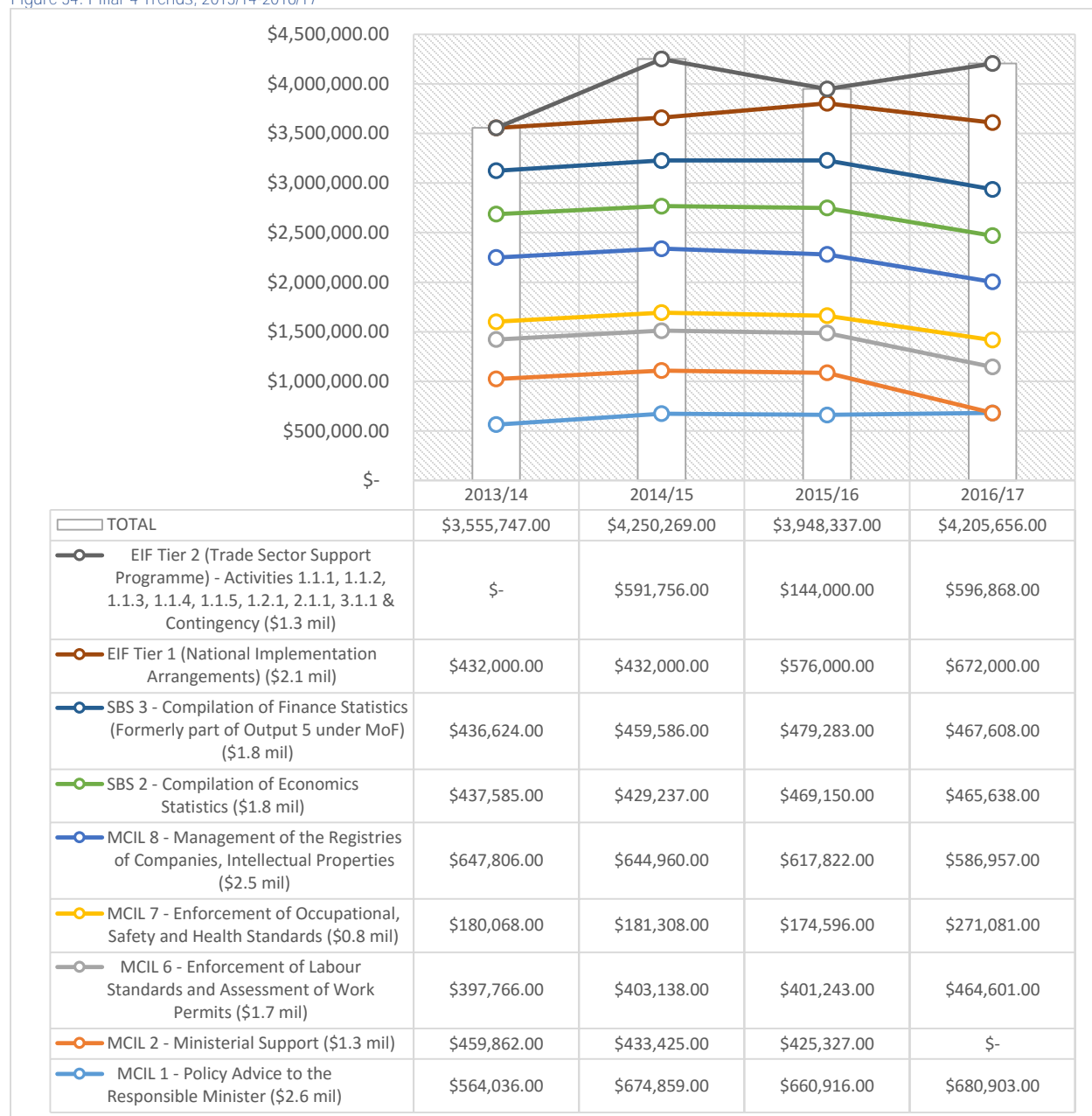
The total recurrent expenditure amounted to \$16.2 million during this period with an average annual expenditure of \$4 million. The major recurrent expenditure items under this pillar include the provision of agricultural quarantine and regulation services through MAF, management of investment promotion and industry through MCIL, enhancement of trade development and promotion through MFAT and trade facilitation through MFR. Support to agencies outside government has been provided mainly to SBEC which has received on average operational support of \$0.4 million. Direct grants for Private Sector Organisations increased to \$0.2 million per annum in this period.

The total development expenditure under Pillar 3 has amounted to \$3.4 million during the period 2013/14 to 2016/17 and indicates a spike in FY2014/15 due to the bulk investment by the New Zealand Aid Programme into their Private Sector Development initiatives, such as the Private Sector Support Facility (PSSF) and their funding support to the SBEC. This period also marks the beginning of implementation of the Trade Sector Support Programme (TSSP), funded through the Tier 2 window of the Enhanced Integrated Framework (EIF).

6.2.2.3.4 | Pillar 4 Sector Coordination and Support

Support for sector coordination has been provided through both the recurrent and development programmes as summarised below:

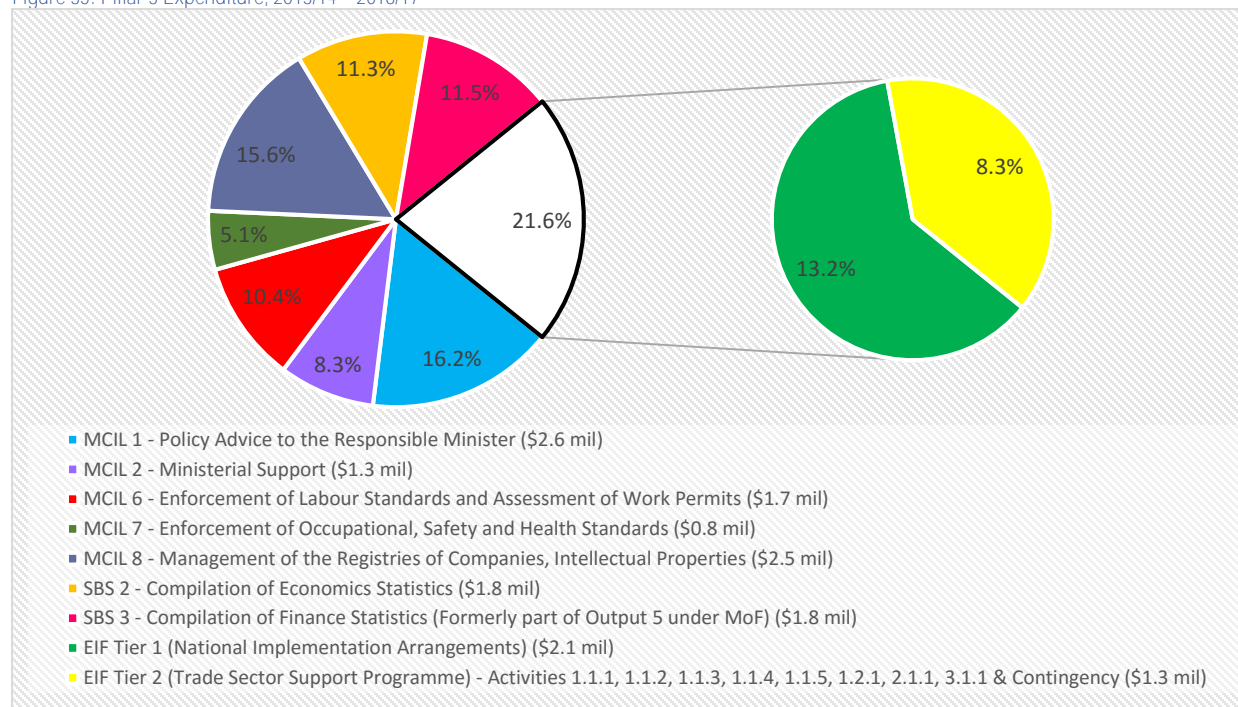
Figure 34: Pillar 4 Trends, 2013/14-2016/17



Total recurrent expenditure on these programmes during the period 2013/14 to 2016/17 is \$11.4 million and shows an increasing trend per annum with major expenditure items including the compilation of trade statistics through the Samoa Bureau of Statistics (SBS), and management of companies and intellectual property rights (e.g. patents, trademarks etc.), enforcement of labour standards, work permits and occupational, safety and health standards through MCIL. Support to the TCMCU is also provided under this pillar through the MCIL policy advice output.

Total development expenditure amounted to \$3.4 million during this period with the approval and implementation of the Tier 1 National Institutional Agency (NIA) Support Project funded under the Enhanced Integrated Framework (EIF). The funding approved for this project has helped establish the TCMCU under MCIL and is expected to continue under the re-current budget. The EIF Tier 2 TSSP project approved in 2014 mobilised in FY2015/16.

Figure 35: Pillar 3 Expenditure, 2013/14 – 2016/17



6.2.3 | Expenditure Analysis and Issues

Based on the trends and expenditures in all pillars, the areas that the sector will need to address in the next four years include:

Table 11: Key Sector Issues

PILLAR	ISSUES/ANALYSIS
Pillar 1: Improve Industrial Supply and Productivity	<p><i>1.1 Improve productivity of key industries</i> Significant funding support (currently provided through MAF to increase production of crops, livestock and fisheries) has not resulted in increased agriculturally based exports. Alternative implementation modalities may be needed to ensure increased production of priority products such as coconut and cocoa.</p> <p><i>1.2 Consistent quality and quantity of primary sector supply</i> Further support needed for research projects to improve the consistency of quality and quantity of selected plant and food products. Focus on climate resilient crops and livestock is also essential. In terms of services, there is a need to strengthen working relations with the Education Sector to match the curricula to skills needed in the private sector. The private sector also need to ensure competitive packages to entice people to pursue a certain education pathway.</p>

PILLAR	ISSUES/ANALYSIS
Pillar 2: Increase Processing Activities and Value Addition	<p><i>2.1 Increase number of value-added products</i> International commodity prices are higher for products that have been processed such as virgin coconut oil. There is a need to improve access of businesses to post-harvest equipment and facilities that will raise the value of products and ensure efficient production levels. Further development of products that have higher commercial value is also critical.</p> <p><i>2.2 Improve quality assurance standards for processing industries</i> Need to ensure acceptable standards are maintained through existing International Standards Organisation (ISO) programmes and planned introduction of Hazard Analysis and Critical Control Points (HACCP) or ISO 22000 (food safety) programmes for both manufacturers and service providers. There is also the need to properly transpose Codex Alimentarius food standards into the Samoa context to ensure competitiveness of products in international markets.</p> <p><i>2.3 Establish quality standards for key services</i> Low employment levels in key industries indicate further support is needed to enhance the skills being promoted through the Apprenticeship Programme and Trade Testing Programme. There is also a need for accreditation of the trade and apprenticeship schemes to ensure international recognition. There is also the need to make these programs more enticing for female to join and pursue a trade. There is also the need to change perceptions towards trades, where people need to see it as a viable career path. Trade programs should also be tailored to market demand.</p>
Pillar 3: Enhance Market Access and Visibility for Samoan Goods and Services	<p><i>3.1 Reduce cost of doing business</i> Focus on improving the support services to businesses through improved and cost-effective trade facilitation measures at the border (e.g. quarantine services, customs services etc.).</p> <p><i>3.2 Improve access to various private sector support schemes</i> The impacts of the schemes that have been operational for the last five years need to be evaluated, to ensure they are still relevant to priorities coming through the sector. Programmes to be reviewed include PSSF, SBEC and the Duty Concession Schemes such as Code 121 and 131. There is a need to formulate more responsive schemes, that would entice entrepreneurial ventures.</p> <p><i>3.3 Improve trade balance</i> Focus on improving the balance of trade through increased use of relevant trade agreements such as WTO, PICTA etc. Need for the trade agenda to be more focussed on core export markets such as American Samoa. Also essential to conduct an assessment of the need for a centralised export services agency. Moreover, there is also great value in building upon the surplus of trade in services and see how this can be further developed to complement trade in goods.</p> <p><i>3.4 Increase labour mobility in foreign markets</i> With the shift of the Seasonal Employment Unit to MCIL, there is potential to further seasonal labour mobility and increase national gains from such schemes. There is also potential in reinvestment of earnings and training into viable ventures, ensuring consistent financial support for beneficiaries and their families. Moreover, there is also a need to focus on improving trade in services with targeted support to core services in financial, telecommunications and agricultural sectors.</p>
Pillar 4: Strengthen Sector Coordination, Planning and Support	<p><i>4.1 Coherent Sector planning and policy formulation</i> Support to be continued for the Sector Steering Committee through the TCMCU and development of core elements such as the MTEF and monitoring and evaluation (M&E) framework. Annual sector reviews are essential to ensure opportunities and challenges are addressed and priorities updated. Not only is that but the relevance of a bulk of business laws in Samoa need to be assessed, and considering emerging issues such as e-commerce, technology and intellectual properties, gender and equal access. Focus is also needed on provision of core legislation that will impact on the sector including the Citizenship Bill, Legal Metrology Bill, Food Bill etc.</p>

PILLAR	ISSUES/ANALYSIS
	<p><i>4.2 Accurate and timely sector statistics for planning</i> Core agencies must provide timely and accurate statistics for monitoring the performance of the sector. There is also the need for more evidence-based policy making that cater to the needs of the general public and not to likings of a selected few.</p> <p><i>4.3 Strengthen capacity of Sector implementing agencies</i> Essential to ensure annual training plans are developed for all sector training, to take advantage of available courses through agencies such as WTO and the Samoa In-Country Training Programme.</p> <p><i>4.4 Integration of cross-cutting issues into the Sector</i> Climate change plays a significant role in the sector given its influence on agricultural production and business as a whole. Need to assess relevant initiatives to ensure resilience of both farming and retail businesses in adapting to, or mitigating the risks associated with, climate change. Focus on the role of female entrepreneurship to reflect progress in ensuring sustainable development goals in the sector.</p>

6.2.4 | MTEF Forward Trends

6.2.4.1 | Total Sector Expenditure

Total estimated sector expenditure for the period 2017/18 to 2020/21 is \$95.2 million with \$75.1 million to be funded from the recurrent budget and \$20.1 million from development sources.

Table 12: Total Forward Sector Expenditure: FY 2017/18 to 2020/21

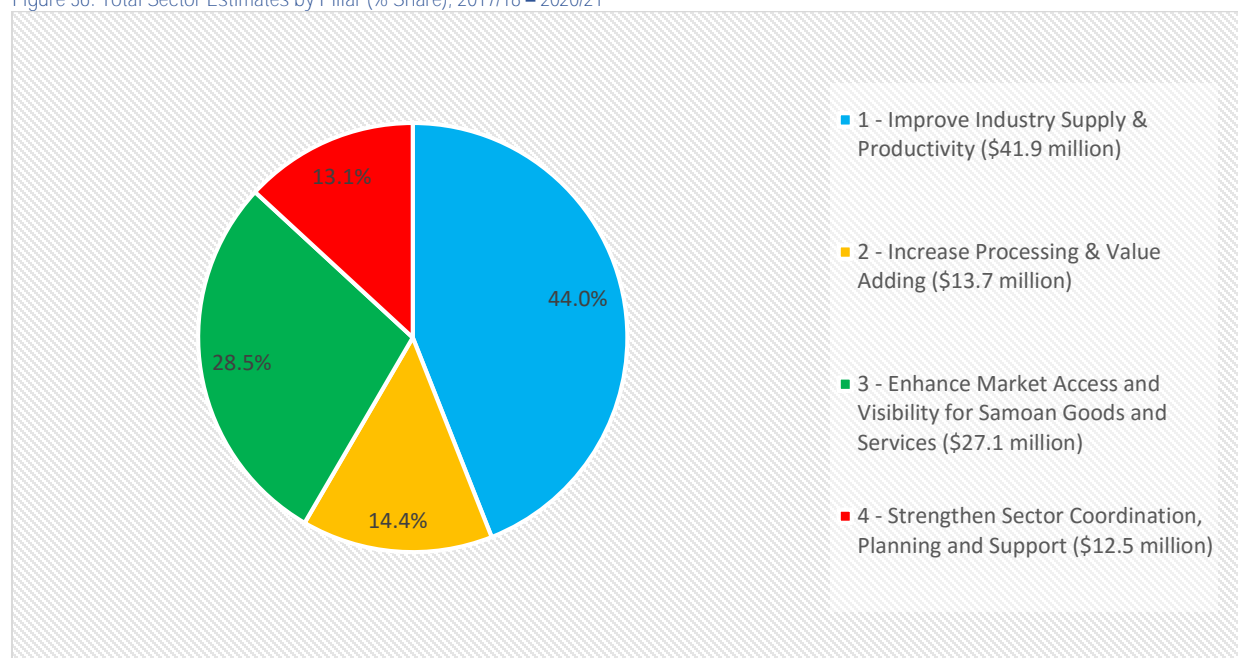
PILLAR	2017/18	2018/19	2019/20	2020/21
Recurrent	\$8,636,565.75	\$8,713,622.19	\$8,689,809.98	\$8,658,041.98
Development	\$1,800,000.00	\$1,800,000.00	\$1,800,000.00	\$1,800,000.00
Pillar 1: Improve Industry Supply & Productivity Sub-Total	\$10,436,565.75	\$10,513,622.19	\$10,489,809.98	\$10,458,041.98
Recurrent	\$2,904,166.30	\$2,900,597.38	\$3,107,026.58	\$3,083,443.48
Development	\$1,236,000.00	\$194,000.00	\$144,000.00	\$144,000.00
Pillar 2: Increase Processing & Value Adding Sub-Total	\$4,140,166.30	\$3,094,597.38	\$3,251,026.58	\$3,227,443.48
Recurrent	\$4,112,931.44	\$4,241,785.80	\$4,326,091.50	\$4,398,342.87
Development	\$3,081,600.00	\$2,610,000.00	\$2,250,000.00	\$2,070,000.00
Pillar 3: Enhance Market Access and Visibility for Samoan Goods & Services Sub-Total	\$7,194,531.44	\$6,851,785.80	\$6,576,091.50	\$6,468,342.87
Recurrent	\$2,799,192.75	\$2,833,019.69	\$2,843,002.61	\$2,853,000.76
Development	\$1,182,508.92	\$ -	\$ -	\$ -
Pillar 4: Strengthen Sector Coordination, Planning and Support Sub-Total	\$3,981,701.67	\$2,833,019.69	\$2,843,002.61	\$2,853,000.76
Total Recurrent	\$18,452,856.24	\$18,689,025.05	\$18,965,930.67	\$18,992,829.09
Total Development	\$7,300,108.92	\$4,604,000.00	\$4,194,000.00	\$4,014,000.00
Grand Total	\$25,752,965.16	\$23,293,025.05	\$23,159,930.67	\$23,006,829.09

6.2.4.2 | Total Expenditure by Pillars

Based on the total sector expenditure estimates for the next four years, Pillars 1 and 3 have significantly increased in value compared to the 2013/14-2016/17 period. Pillar 1 notes an estimated 19.5% increase, and Pillar 3 estimated a 38.1% increase. Pillar 2, more or less remains the same noting a 3.8% increase, and investment into Pillar 4 estimates a decline by 21.6% compared to the 2013/14-2016/17 figures.

The bulk of development investment for the forward trends are attributed to the New Zealand-Samoa Cocoa Development Initiative (under Pillar 1), and the New Zealand Private Sector Development initiatives through SBEC and the PSSF (under Pillar 3). There is some estimated investment from the UN-SDGF through a UNDP-WIBDI project and these are noted under Pillar 2. Upon completion of the EIF projects, the bulk of costs for Pillar 4 would have been absorbed under the recurrent budget.

Figure 36: Total Sector Estimates by Pillar (% Share), 2017/18 – 2020/21



6.2.4.2.1 | Pillar 1 Improve Industry Supply and Productivity

The total expenditure estimated for Pillar 1 initiatives over the next four years is \$41.9 million with \$34.7 million funded through the recurrent budget and \$7.2 million funded from ongoing and pipeline development sources.

Recurrent expenditure through MAF indicates that an expected average expenditure of \$3.9 million per annum will be spent on provision of planting materials (including cocoa, coconut etc.), development of export pathways for priority crops as well as marketing training for farmers. Average spending of \$1.8 million per annum is expected for the provision of improved breeding stock to increase import substitution and for improving food safety of meat products. A further \$2.2 million per annum is to be provided for the diversification of fisheries management systems with high trade potential.

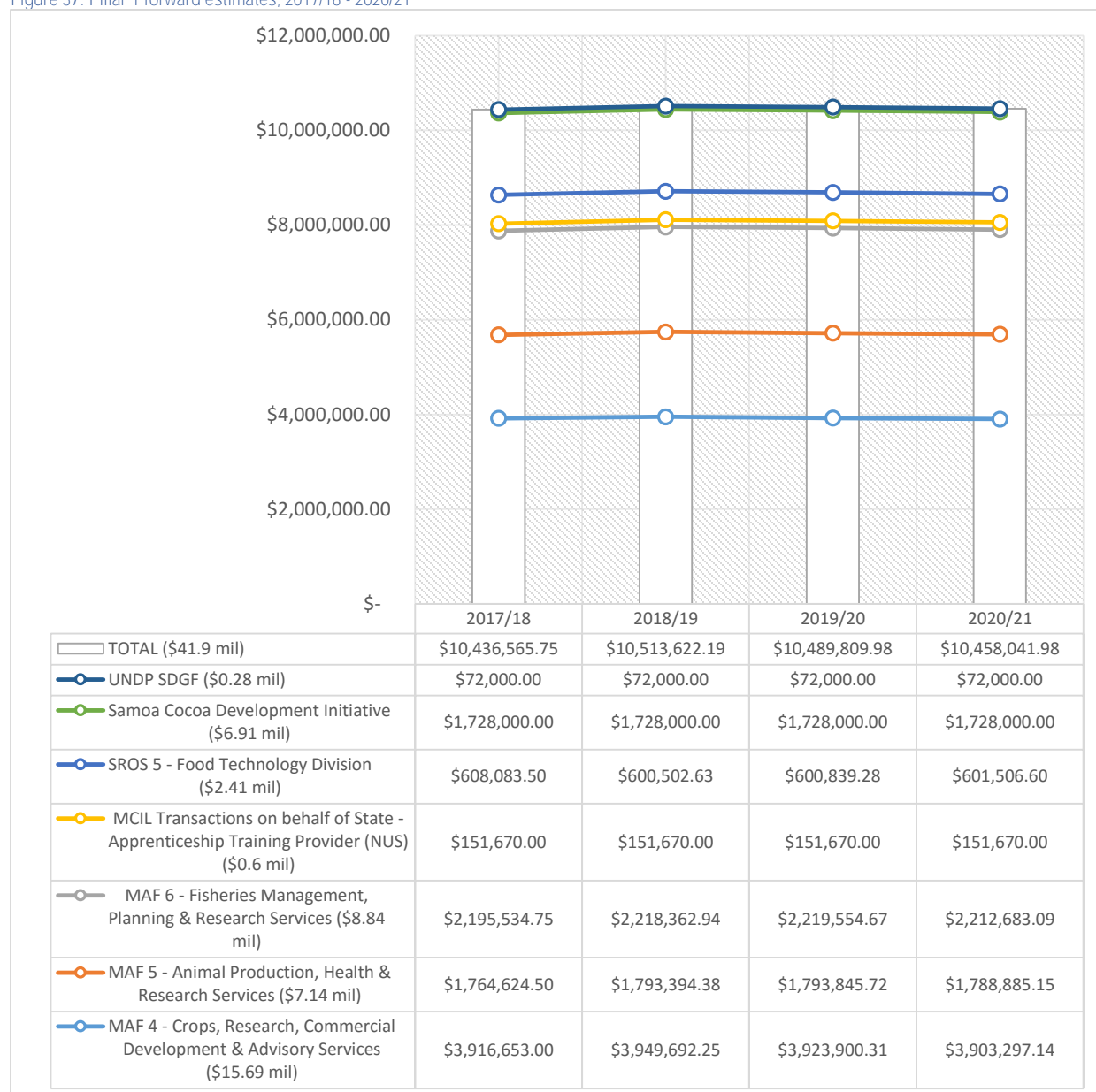
Transactions on behalf of State through MCIL entails an average \$0.15 million per annum paid to the National University of Samoa for services rendered in the Apprenticeship Scheme.

SROS is also budgeted a \$0.6 million per annum to provide food technology technical research and advice, locally. SROS recurrent expenditure will focus on provision of plant and food research projects targeting cocoa and coconut as well as other priority crops. A new initiative looking at improving the climate resilience of selected crops will be developed in collaboration with SROS and MCIL to increase the **ability of Samoa's main crops to survive possible future extremes of rainfall and/or drought and rises in the salinity of groundwater.**

For development expenditures it is estimated for the New Zealand funded Samoa Cocoa Development Initiative to begin on-the-ground work in 2018. The project envisages to build upon the work of existing or pipeline projects to increase value and volume of Samoan cocoa exports per annum and also increase financial returns for smallholder cocoa growers. The project estimates a five-year life span with a budget of NZ\$4.8 million. The initiative is driven by AgriChain New Zealand and the Samoa Chamber of Commerce (SCCI) and sub-contracting Massey University (New Zealand). The other project that is

estimated to filter through the forward estimate period is the assistance from the UN Sustainable Development Goals Fund (SDGF) through a UNDP-WIBDI understanding. For this Project, the total amount funded is US\$0.5, where US\$0.44 is committed to WIBDI to finance equipment, provide village youth trainings and provide employments for unemployed youth.

Figure 37: Pillar 1 forward estimates, 2017/18 - 2020/21



6.2.4.2.2 | Pillar 2: Increase Processing and Value Adding

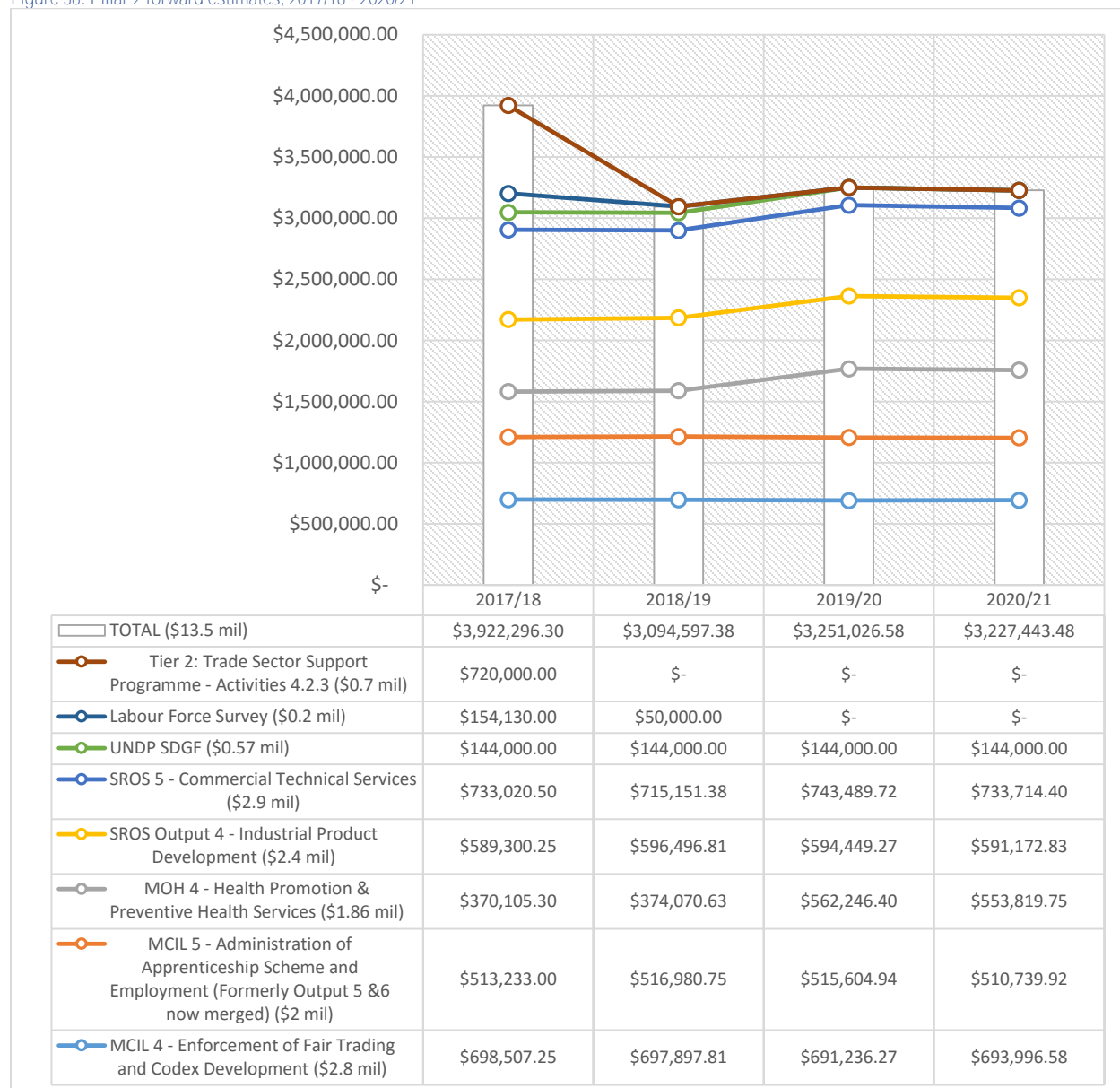
The total expenditure estimated for Pillar 2 initiatives over the next four years is \$13.5 million with \$12 million funded through the recurrent budget and \$1.5 million to be funded from ongoing and pipeline development sources.

Recurrent expenditure through MCIL will continue to support the enforcement of fair trading and development of Codex standards. The development initiatives identified include the support needed for fair trade certification for producer groups and food safety certification of both import substitution and exporting enterprises and should include producer groups and private enterprises who are not members of the Samoa Chamber of Commerce and SAME to promote inclusiveness in the

use of these resources. To date SAME has received funding through PSSF and the EIF projects for the initiation of the ISO programme.

Funding support through MCIL will continue with allocation of about \$2 million per annum to support the management of the Apprenticeship Programme and Trade Testing Programme and to review the relevance and quality of the programme to the critical needs of the private sector.

Figure 38: Pillar 2 forward estimates, 2017/18 - 2020/21



SAME will be driving through programmes for ISO 9001, ISO 22000, ISO 14000 and HACCP for its members over the next four years. SAME are aiming to work with a total of 36 companies over the next four years (approximately 12 companies per annum) in various areas of manufacturing and processing and the proposed costing will cover for company members to be trained in internal auditing, quality manual development and initial certification. Recertification will be a cost to the companies and cost sharing arrangements (at least 70:30 ratio) will be encouraged to ensure strong ownership and commitment by qualifying enterprises to maintain high operational performance and food standards consistent with market requirements.

Other development initiatives identified under MCIL include the need for technical assistance to assist with the development of standards for selected products including meat, coconut oil, cocoa etc. To date only standards for eggs have been fully established. Technical assistance will also be provided to review the existing legislation to ensure it is in line with other relevant acts. The other project that is estimated to filter through the forward estimate period is the assistance from the UN Sustainable Development Goals Fund (SDGF) through a UNDP-WIBDI understanding. For this Project, the total amount funded is US\$0.5, where US\$0.44 is committed to WIBDI to finance equipment, provide village youth trainings and provide employments for unemployed youth.

Spending through SROS recurrent budget is expected to continue to provide for selected product development and **prototypes as well as accredited analytical tests and procurement of essential equipment needed to improve “added value” options for Samoa’s tradable products**. It is noted that SROS will also be receiving additional equipment and operational support through Tier 2 TSSP Component 2. These costs have been reflected in Pillar 1.

An allocation of \$1.86 **million through MOH’s recurrent budget is expected** to implement the Food Act 2015. There could also be come cost-sharing for this activity among the budgets of relevant implementing agencies such as MCIL and MAF since the Act came into force.

6.2.4.2.3 | Pillar 3: Enhance Market Access and Visibility for Samoan Goods and Services

The total expenditure estimated for Pillar 3 initiatives over the next four years is \$27 million with \$17.1 million funded through the recurrent budget and \$9.9 million to be funded from ongoing and pipeline development sources.

Total recurrent expenditure for MAF through its Agricultural Quarantine and Regulation Services output is expected to continue in order to provide export certification as well as facilitate import permits and HTFA certification. There are no development **initiatives foreseen under MAF for this pillar, as MAF’s needs are being addressed under development programmes in the Agriculture Sector**.

MFAT will continue to lead trade development and promotion services through the coordination of WTO and PACER Plus commitments, finalisation of EPA and interim EPA negotiations, implementation of the PICTA and pursuit of trade arrangements with American Samoa. The provision of technical assistance through relevant sources including WTO, PACER Plus will continue as in-kind contributions and will be managed by MFAT in collaboration with TCMCU through the sector capacity building programme under Pillar 4.

Recurrent expenditures for MfR will continue to concentrate on facilitation of trade with a focus on improving trading costs and measures across borders. Development expenditures of MfR associated with trade facilitation are currently being catered for under the Customs Modernisation and other infrastructural projects which are reflected under the Finance Sector Plan.

MCIL total recurrent expenditure will continue for the management of investment promotion and industry development including the Duty Concession Scheme, Export Development Scheme, Foreign Investment Registration etc. Other expenditures to be channelled through Outputs by Third Parties include the annual grant to SBEC for two purposes: management of the Loan Guarantee Scheme (targeting small to medium sized businesses) and providing tailored business financial management training and advice. The transition of the Seasonal Employment Unit from MPMC to MCIL is also captured under this Pillar as MCIL Output 9. The Unit will be primarily responsible for the management of the seasonal labour mobility schemes in New Zealand and Australia, and further develop these schemes to cover additional trades and other regional and international markets. The projections for expanding the Unit are accordingly forecasted in the figures presented.

Other Transactions on Behalf of the State will also continue, with the provision of annual grants to private sector organisations such as SCCI, WIBDI, SAME etc. The sector will ensure PSO grants will increase to benefit all PSOs and CBOs to promote inclusiveness in private sector participation in activities supported by their respective funding as well as developing strict guidelines to ensure appropriate use of these funds.

The development expenditures foreseen under MCIL include the remaining implementation of the Tier 2 TSSP activities 2.1.2 and 2.2.1. Also captured is the anticipated investment by New Zealand into their Private Sector Development initiatives in Samoa, which they envisage to channel through SBEC covering their in-kind contribution to SBEC's work and an additional funding for the revamped Private Sector Support Facility (PSSF) which is also expected to be channelled through SBEC.

Figure 39: Pillar 3 forward estimates, 2017/18 - 2020/21

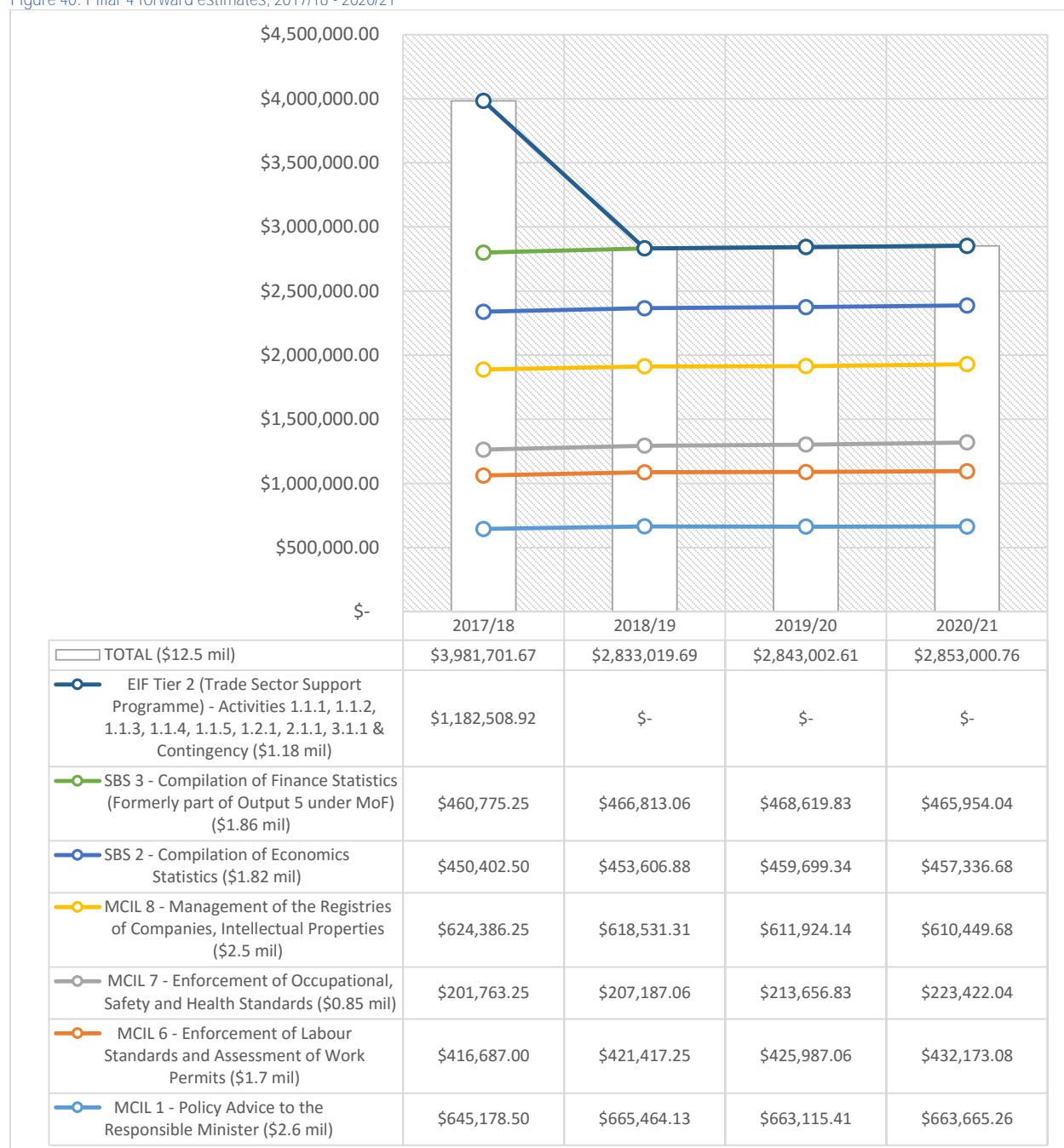


6.2.4.2.4 | Pillar 4: Strengthen Sector Coordination, Planning and Support

The total expenditure estimated for Pillar 4 initiatives over the next three years is \$12.5 million with \$11.3 million funded through the recurrent budget and \$1.18 million from ongoing and pipeline development sources.

Recurrent expenditure through SBS will be provided to ensure compilation of economic statistics including merchandise reports as well as finance statistics relevant to the sector (such as the monthly Industrial Production Index). Key development expenditures foreseen include the implementation of the Business and Economics surveys to be funded under Tier 2 TSSP Component 1. The planned Labour Force Survey undertaken by SBS and MCIL in 2017, with funding from the International Labour Organisation and the EIF, is to be published in 2018.

Figure 40: Pillar 4 forward estimates, 2017/18 - 2020/21



MCIL's recurrent expenditure will slightly increase once the Tier 1 NIA Support Project ends in 2017 given the need for absorbing the project personnel currently funded under this project. Moreover, their recurrent expenditure will continue for the provision of policy advice to the responsible minister, the running of the TCMCU, enforcement of labour standards and assessment of work permits, enforcement of occupational safety and health standards as well as the management of the

registries of companies and intellectual properties. It is expected that a new budget output will be established for TCMCU given its role in coordinating and implementing the TCM-SP 2017/18-2020/21, in the next five years. Costs will include the incorporation of TCMCU personnel into this new output and the revising of the work done Tier 1 NIA Support Project that is due to end in 2017.

Development initiatives to be funded through MCIL include the completion of Tier 2 TSSP Component 1 programme which will provide two additional Principal Officers to TCMCU as well as vehicles and technical assistance to key implementing agencies such as WIBDI and STEC. Technical assistance will also be sought and used to finalise critical legislation and regulations. The TCM-CU will also continue to work together with local and international climate change organisations to look at ways to incorporate climate change mitigation and resilience measures in the Sector.

6.3 | TCM-SP 2017/18 – 2020/21 Living Action Matrix

The following is the TCM-SP's living Action Matrix, which will be constantly reviewed in Annual Reviews to ensure the attainment of the End-of-Sector Plan vision and mission:

Table 13: TCM-SP 2017/18-2020/21 Living Action Matrix

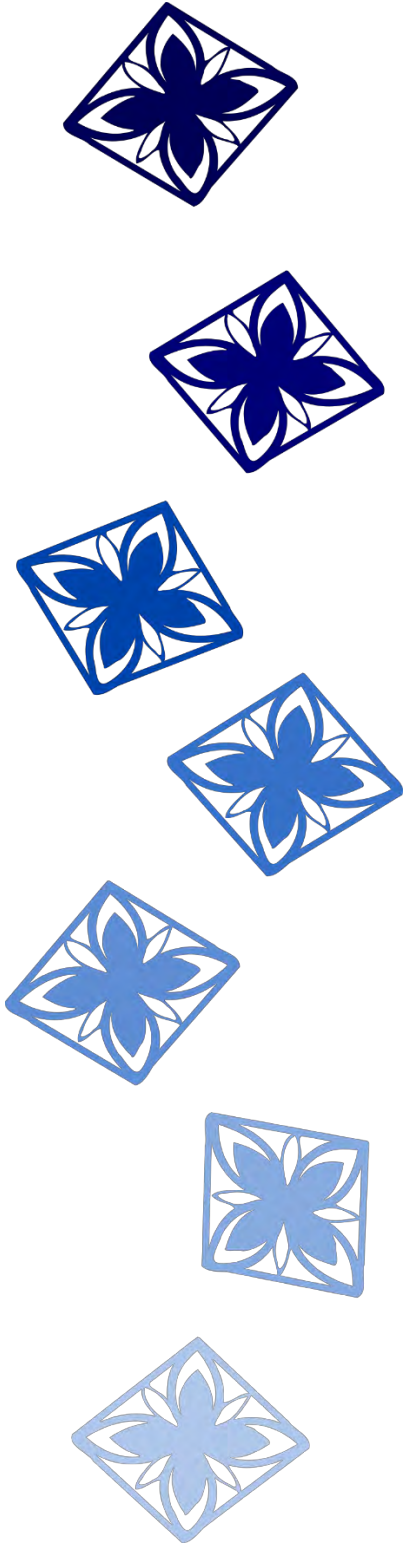
Pillar/Outcomes	Outputs	#	Actions
1 – Improve industrial supply and productivity	1.1 – Improved productivity of key industries	1.1.1	All stakeholders must work in a durable value chain partnership with a view of transforming the largely subsistence economy in Samoa. To achieve this, serious efforts must be planned and implemented with the objectives of developing a conducive environment that would attract large commercial ventures into the Samoa primary sector.
		1.1.2	Transform the informal sector in Samoa so that it provides decent employment and increased productivity.
		1.1.3	Increase sensitization of both men and women regarding the Trade Schemes offered by MCIL for skilled workers without formal certification.
		1.1.4	Carry out value-chain analysis of potential traditional/tropical products
		1.1.5	Adopt a cluster development approach, establish business incubators and encourage businesses to network and cluster to achieve economies of scale and reduce unit costs of common overheads. Establish a national networking database under NPSO with the assistance of MCIL
		1.1.6	Limit foreign retailers of imported goods in the rural communities
		1.1.7	Tailor and enhance more training programs in business management, accounting, customer care and etc. through institutions such as SBEC
		1.1.8	Integrate rural subsistence into the urban monetized economy by focusing in rural development initiatives based on value chain principles.
	1.2 – Consistent quality and quantity of primary sector supply	1.2.1	Promote use of codex standards, codex and guidelines as the basis for national standard development. Promote the development and enhancement of the capabilities of the National Codex Contact Point (CCP), the Samoa National Codex Council (SNCC), delegates and stakeholders on their core functions and to expand the engagement with the public on Codex updates.
		1.2.2	Address the existing imbalance between labour supply and labour demand. Enhance the relevant skills acquired by the workforce and what is needed by employers.
		1.2.3	Provide direct support for local entrepreneurs that have high employment potential. Also eliminate obstacles that constraint youths from participating in productive employment.
		1.2.4	Put in place effective and efficient centres that will provide employment services including the registration for those seeking employment.
		1.2.5	Enhance the business mind-set and capacity among business owners, subsistence and semi-commercial crop growers/farmers.
		1.2.6	Enhance technical advice and capacities on farming management, specifically crop farming cycles and maintenance of a resilient/consistent supply of goods.
		1.2.7	Large Commercial Agricultural businesses should be encouraged to work /cluster with small semi-commercial farmers to share expertise and resources (machineries/exports markets) that are required to cultivate additional lands for farming purposes.
		1.2.8	Increase the acreage of traditional/tropical produces to meet the national and international demand.

Pillar/Outcomes	Outputs	#	Actions
		1.2.9	Set up training and mentoring programme to enable farmers and primary producers to perform value-adding activities
2. Increase processing activities and value-addition	2.1. Increase number of value-added products	2.1.1	Promote quality locally made products through improved marketing and branding initiatives as well as through the National Export Strategy. Encourage the production and consumption of locally produced goods and services.
		2.1.2	Enforce readable information on Samoan products in regional and international markets (including names, date of manufacture and expiry, physical address, packaging material, country of origin and internet based marketing portal and e-competitiveness).
		2.1.3	Promote large scale commercial agriculture and rural agro processing to reduce rural unemployment and underemployment.
		2.1.4	Review sector profiles for at least two industries
		2.1.5	Linking industry development issues at national level with overall regional or international agreement Samoa is a party to
		2.1.6	Expand the Apprenticeship Scheme with additional trades.
	2.2. Improve quality assurance standards for key processing industries	2.2.1	Coordinate and facilitate food and non-food safety standards.
		2.2.2	Enhance the legislative framework to capture and formalise standards for local and imported products, as well as ensuring fair trade initiatives
		2.2.3	Prioritise selected industries (fisheries, coconut, cocoa etc.) to roll out the ISO and HACCP certification process and consider avenues in which costs of compliance can be reduced
		2.2.4	Enhance Co-operation with Australia and New Zealand in assisting Samoa to comply with standards including capacity building on conformity assessment, mutual recognition and equivalence of product standards in ANZ markets.
	2.3. Establish quality standards for key services	2.3.1	Trade Panels and Industry to revise Industry Training on the Job Forms to be in line with National Competency Standards.
		2.3.2	Process the accreditation of the Apprenticeship Scheme.
		2.3.3	Strengthen and empower the work of SOA to address skill shortages in Samoa.
		2.3.4	Develop and implement guidelines on promotion of green jobs within trade implementing agencies.
3. Enhance market access and visibility for Samoan goods and services	3.1. Reduced cost of doing business	3.1.1	Develop simple business set-up processes and streamline them on electronic platforms.
		3.1.2	Develop of a central registration system for businesses in Samoa which would be used by all Government agencies (MfR, NPF, ACC) building on the success of the online company registration.
		3.1.3	Review national tariff structure to reduce tariffs on inputs and capital goods for local production process and create an investment environment for export
		3.1.4	Implement Samoa's Trade Facilitation Needs Assessment
		3.1.5	Increase interventions aimed at reducing shipping costs
	3.2. Improved access to various private sector support schemes	3.2.1	Efficient implementation of assistance schemes administered through the Sector and research into other new incentives in accordance with the need of industries. Develop, review and promote government assistance schemes geared towards the private sector. To have a level playing field in terms of incentives and assistance between foreign and local investors.
		3.2.2	Integrate overseas trade promotions and investment schemes (citizenship, tax incentives, customary land access etc.) into targeted packages for investors and development of a financing strategy to assist the transition of small businesses for expansion and sustainability of initial support by Government that include initiatives through the DBS, SBEC, SACEP and SBI.
		3.2.3	Increased support for commercial agriculture project especially access to government land, trainings for farmers, and providing duty concessions.
		3.2.4	Increase access to Competitive Financing: financial assistance such as the export financial guarantee as the export financial guarantee scheme and revive the development band to be the principal lender for the sector.
		3.2.5	To further enhance market access for local entrepreneur.
		3.2.6	Promote the Personal Properties Securities Act (PPSA) as a means for lowering costs of accessing credit.
		3.2.7	A survey to be conducted in collaboration with SCCI and SAME to establish the most utilised GSP schemes by exporters, identify challenges in utilisation and make recommendations towards enabling improved utilisation of the schemes.

Pillar/Outcomes	Outputs	#	Actions
		3.2.8	The private sector is encouraged to expand resources for marketing initiatives to evaluate overseas markets and develop relationships to secure market opportunities, including active participation in investment/trade missions and road shows.
		3.2.9	Initiate and implement Public Private Partnerships (PPP) risk-sharing models in providing access to capital for MSME. This is by exploring utilisation of (i) Guaranteed lending through regulated banking financial firms; (ii) Intermediate Revolving lending through exempted non-bank financial firms and (iii) Other emerging financial instruments such as business angel financing and crowd funding.
		3.2.10	Assess feasibility of establishing a carbon trading scheme/institution
		3.2.11	Strengthen Government partnership with Private Sector organisations through cost-sharing and mutual capacity building.
	3.3. Improved trade balance	3.3.1	Exploration of the accession to the iEPA (Interim Economic Partnership Agreement) with EU, to promote investment for development of fisheries in Samoa. Also push through the comprehensive EPA discussions enhance trading for all other goods.
		3.3.2	Negotiate a formal trade and economic cooperation agreement bearing in mind the need to confirm a clear mandate for American Samoa to negotiate a Trade and Economic Cooperation Agreement (TECA) with Samoa that would be easy to implement with simplified rules of origin. The TECA should include a limited number of key products that would be of great interest to both countries.
		3.3.3	Negotiate with China the possibilities of extending preferential access of Samoa's products in consideration of the climate change impact on the economy and also in supporting trade development of Samoa.
		3.3.4	Assist the Agriculture Sector with import substitution efforts and the Energy Sector with work on renewable energy sources which impacts the value of petroleum and like products that are imported into Samoa.
	3.4. Increased labour mobility in foreign markets	3.4.1	Provide administrative support for the Labour Employment and Export Program (LEEP) and explore additional overseas seasonal employment opportunities for Samoa. Explore and develop additional bilateral schemes, such as the New Zealand Regional Seasonal Employment Scheme (RSE) and Australian Seasonal Workers Program (SWP), to facilitate mobility for both skilled and unskilled labour in the region and internationally.
		3.4.2	Review implementation of measures and strategies to enhance the participation of Samoa's services industry in international (services) trade including labour mobility
		3.4.3	Include services liberalisation in the formal arrangement under negotiation.
4. Strengthen sector coordination, planning and support	4.1. Coherent sector planning and policy formulation	4.1.1	Develop and implement a National Industry Development Strategy/Industrial Policy to focus on enhancing value addition to products in areas which have comparative advantage and ensure that the necessary investment climate in terms of infrastructure, legislation is strengthened.
		4.1.2	Promote the development of micro, small and medium enterprises (MSME) and implement macroeconomic policies and practices that are consistent with Samoa's objective of increasing exports and enhancing competitiveness.
		4.1.3	Develop and implement measures and strategies to improve the participation of Samoa's services industry in international services trade
		4.1.4	Strengthen the e-commerce regulatory framework & regulations.
		4.1.5	Review and develop effective Industrial Relations, FEEP and OSH policies and procedures.
		4.1.6	Incorporate Employment issues and target into the macroeconomic framework.
		4.1.7	Strengthen Sector M&E Framework, Budgeting (MTEF) and TCM-CU capacity
		4.1.8	Build on the Joint Policy Action Matrix (JPAM) to capture sources of sustainable financing
		4.1.9	Review trade and other relevant commercial laws to create and support a dynamic trade sector
		4.1.10	Undertake design and implementation of Special Economic Zones (SEZ) in Samoa focussing on the following areas: competitive tax and incentives regime; zone development and administration; environmental sustainability and climate change mitigation; and labour market productivity.
		4.1.11	Improve the monitoring of local and foreign owned shops and issue warnings to those breaching any law and/or customs
		4.1.12	Assess procedures, processes and documentation required for streamlining and improve efficiency inter-agencies

Pillar/Outcomes	Outputs	#	Actions
		4.1.13	Enhance commitment with the International Labour Organisation.
		4.1.14	Enhance the legislative and regulatory framework for labour standards, employment relations, and occupational health and safety
		4.1.15	Implement and monitor commitments made in all trade agreements/ arrangements. Create a development-oriented trade policy in line with Samoa's development goals
	4.2. Accurate and timely sector statistics for planning	4.2.1	Review, research and update investment opportunities to be promoted.
		4.2.2	Implementation of the Labour Market Information management system and collaborate with key stakeholders for better operation.
		4.2.3	Create a Computerized Central Statistics Database for the Sector and its Implementing Agencies as a part of the management and information unit and use the data for research and diagnostic studies. Enhance an electronic database and filing system for sector implementing agencies. Implement the "One MCIL" initiative and provide resources
		4.2.4	Statistics and performance monitoring indicators to be revisited (including disaggregation by age and gender) to measure Inclusive Growth as part of the Community Sector Plan 2016-2021 by MWCSD.
		4.2.5	To develop measurable and substantive indicators to monitor results and performance from Trade Agreements (e.g. employment statistics from firms involved in export and tax revenue resulting from preferences accorded and MSMEs exporting to markets).
	4.3. Strengthen capacity of sector implementing agencies	4.3.1	Develop monitoring and evaluation framework with Sector Implementing Agencies to guide and monitor their role in terms of compliance with their relevant mandate. Restructure Sector implementing agencies to reflect the extent of the sector mandate.
		4.3.2	More capacity building on Technical Barriers to Trade/Competition/Metrology and Codex.
		4.3.3	Strengthen tripartite dialogue with key stakeholders on all labour/OSH related matters.
		4.3.4	Research and develop an electronic customers-centered system for FEEPS.
		4.3.5	Develop the capacities of private sector institutions to effectively engage with government on trade policy formulation through training in technical trade issues, enhanced dissemination of relevant information and trade negotiations, etc.
		4.3.6	Develop an electronic monitoring system for business environment and cost structure
		4.3.7	Enhance the capacity of the Sector Implementing Agencies to meet the implementation requirements of the Sector policies
		4.3.8	Enhance the country capacity to Implement its WTO obligations and continue to work with lead agencies in implementing the post Accession Matrix and effectively engage in trade negotiations through close collaboration with International institutional capacity strengthening institutions.
		4.3.9	Design and implement an immediate educational enhancing program for the private sector in rapid participation in trade in services with industries being explored or integrated under modes (1) – (4) of PICTA. Work with training institutions to provide business/ entrepreneurial skills and other skills relevant to private sector development, competitiveness and trade policy.
		4.3.10	Strengthened collaboration between MfR, MCIL, MPMC and other relevant agencies to address issues with tax collection, business and immigration laws
		4.3.11	Training needs program developed in line with Customs
		4.3.12	Improved border operations and Customs Control Area (CCA)
	4.4. Integration of cross-cutting issues into the sector	4.4.1	Develop a robust disaster recovery plan for all electronic systems to ensure business continuity.
		4.4.2	Sensitise the sector and its implementing agencies about climate change and adaptation and resilience measures
		4.4.3	Integrate international goals and values into the sector in line with Samoa's national interest
		4.4.4	Develop integrated climate resilient investments in collaboration with key sectors like energy and environment.
		4.4.5	Incorporate Human Capital development into national objectives.
		4.4.6	Ensure equal access for persons with specific needs (PWSN) in both paid and self-employment opportunities.
		4.4.7	Promote gender equality in the work places and general employment opportunities.





Compiled and designed by the Trade, Commerce & Manufacturing Sector Coordination Unit under the auspices of the Ministry of Commerce, Industry and Labour, with data provided by Implementing Agencies.

